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Impact of Leadership Styles on Entrepreneurs' Business Success

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IMPACT OF LEADERSHIP STYLES ON ENTREPRENEURS' BUSINESS SUCCESS

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ABSTRACT

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Leadership styles play an important role in entrepreneurial businesses in today's business marketplace. The Full Range Leadership Model provides a framework for transformational, transactional, and laissez-faire leadership styles, as measured by the *Multifactor Leadership Questionnaire* (MLQ), while the ENTRELEAD scale has been used to assess the entrepreneurial leadership style. A review of the literature reveals limited empirical research focused on the effect of entrepreneurial leadership as applied in the contemporary marketplace. Limited research also exists on the effectiveness of the combination of these leadership styles for entrepreneurs in order to positively affect business performance and business longevity. The problem of this study was to address this gap in the research literature related to transformational, transactional, and laissez-faire leadership styles in combination with the entrepreneurial leadership style in entrepreneurial organizations. Four research questions guided this study: to identify the dominant Full Range Leadership Model leadership style of entrepreneurs; to understand the relationship between transformational and transactional leadership styles and the entrepreneurial leadership style; to describe the relationship between the combination of leadership styles of entrepreneurs and their gender, education level, industry type, and role in business; and to describe the relationship between the combination of leadership styles of entrepreneurs and their gender, education level, industry type, and role in business on

years of operation, the change in the number of employees at current organization, and profitability.

Data for this study were collected using a leadership survey with three subparts, including demographic and business questions, MLQ Form 5X-Short, and the ENTRELEAD scale. Four hundred and four respondents completed the survey. Descriptive statistics, chi-square, and MANOVA were used to answer the research questions. It was determined that a transformational and entrepreneurial leadership style was the most prevalent combination of leadership styles of entrepreneurs. Chi-square was used to determine that leadership styles and gender had a statistically significant association. The findings of this study from the MANOVA indicated that gender and role in business each had a statistically significant effect on the combined dependent variables of years in operation, current year profitability, profitability over five years, and difference in number of employees since founding. Education, industry, and role in business also had a statistically significant interaction effect on years in operation, current year profitability, profitability over five years, and difference in number of employees since founding. Entrepreneurs can use the findings from this study to identify their leadership style and better understand how individual styles and demographic characteristics relate to their role in their business and its potential success. City planners, members of regional Departments of Economic Development, educators, and practitioners can use the findings from this study to enhance leadership development opportunities for entrepreneurs.

DEDICATION

To those who have been knocked down, faced the impossible, and risen above with courage. Nelson Mandela said it best. “It always seems impossible until it's done.”

You are the brave ones.

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Hona Amer

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CHAPTER I

INTRODUCTION

Effective leaders in business build organizations that withstand uncertainty, change, and competition. The sustained impact of leaders on business success can further be realized through examining leadership styles and the types of individuals operating the businesses. Leaders lead themselves and others using leadership styles based on personal experience, background, education, or training. Different styles of leadership impact the level of performance and performance improvement within an organization (Bass, 1985). How an individual leads a business impacts its employees, customers, communities, and other stakeholders. Entrepreneurs operating enterprises function as the leader of their business and need specific leadership skills to launch, grow, and sustain a successful venture.

As of 2012, over 28 million employer and nonemployer businesses operated in the United States (United States Census Bureau, 2012a; 2012b). Each business had a starting point with an individual, partners, or a group of individuals launching the new venture. Many businesses employ people, contributing to the health of the economy, but high business failure rates negatively impact communities and entrepreneurs. All businesses do not succeed (Hann, 2013), and the behaviors of entrepreneurs influence the growth and development of their business. A successful business can be measured in terms of financial performance, such as business revenue, profitability, and return on investment. Business leaders influence the financial performance of a business by exhibiting the appropriate leadership styles in the right business context, contributing to increased firm performance (Bass, 1985).

The Full Range Leadership Model identifies leadership styles on a continuum of transformational, transactional, and laissez-faire leadership (Bass & Avolio, 2004). The

Multifactor Leadership Questionnaire (MLQ) was developed to assess the leadership skills exhibited by leaders in order to identify their leadership style as transformational, transactional, or laissez-faire leadership. Transformational leadership theory in the Full Range Leadership Model has been categorized as idealized influence attributed, inspirational motivation, intellectual stimulation, and individual consideration (Heinitz, Liepmann, & Felfe, 2005). These categories are related to the appropriate leadership skills demonstrated by transformational leaders, and they are measured using the MLQ. Transactional leadership is viewed as on the opposite side of the continuum to transformational leadership in that the leader focuses on tasks and rewarding behaviors. Heinitz et al. posited that transactional leaders work well in stable environments. The MLQ measures transactional leadership under the categories of contingent reward and management-by-exception (active). Laissez-faire leadership is defined by the absence of engagement in leading others and avoiding leadership responsibility. The MLQ also measures passive-avoidant leadership under the categories of management-by-exception (passive) and laissez-faire leadership behaviors as part of the instrument.

The entrepreneurial leadership style has also been developed as a leadership construct to assess leadership behaviors of leaders. Renko, El Tarabishy, Carsrud, and Brännback (2015) developed the ENTRELEAD scale in order to assess the entrepreneurial leadership style, including opportunity recognition, risk-taking, proactive, visionary, innovation, and idea creation behaviors of leaders. Gupta, MacMillan, and Surie (2004) posited that the basic challenge of the entrepreneurial leadership style is "to create a willingness in followers to abandon current conventional but career-secure activities for creative, entrepreneurial action" (p. 245). Entrepreneurial leadership skills can be utilized in startup and established organizations, which can lead to superior performance.

While there are many popular leadership theories, the leadership styles identified for this study are based on the leadership styles in the Full Range Leadership Model assessed by the MLQ and the entrepreneurial leadership style determined by the ENTRELEAD scale because of their specific implications within the context of entrepreneurship. Entrepreneurs may use transformational, transactional, or laissez-faire leadership styles, as well as an entrepreneurial leadership style, to maximize the profitability of their organization while sustaining the venture past the initial startup phase. Entrepreneurs, who are business owners, owner-buyers, or owner-founders, are leaders within their organizations. However, the role of an entrepreneur does not necessitate that they use an entrepreneurial leadership style to develop and grow their business. Visser, de Coning, and Smit (2005) found that transformational leadership and entrepreneurship had a significant positive relationship, but how entrepreneurship functions as a subset of transformational leadership was unresolved. The research focused on transactional leadership, specifically contingent reward behaviors, has also been inter-correlated with the transformational leadership of entrepreneurs (Ardichvili, 2001). The entrepreneurial leadership style has been associated with entrepreneurs because of the innovative, risk-taking, and recognition of opportunities characteristic of entrepreneurs (Renko et al., 2015), but it is not required that an entrepreneur utilizes this style in practice. Renko et al. suggested further research examining various organizational contexts and the position leaders occupy so as to better understand how the entrepreneurial leadership style is used in organizations. Research is inconclusive as to which combination of these leadership styles is effective for entrepreneurs, and which positively affects business performance and business longevity. Entrepreneurial leadership theory development over the past 20 years has created a need for additional studies focused on assessing entrepreneurial leadership skills of leaders. Leaders who are entrepreneurs do not use the

entrepreneurial leadership style solely to inform their leadership behaviors. Therefore, examining the leadership styles of entrepreneurs is significant to the research of leadership styles, as the context may affect the leadership style most utilized to impact organizational outcomes.

Statement of the Problem

The problem of this study is to address a gap in the knowledge of transformational, transactional, and laissez-faire leadership styles in combination with the entrepreneurial leadership style leading to successful entrepreneurial organizations. To solve this problem, this study will describe the relationship between leadership styles of entrepreneurs as mediated by the variables of gender, education level, industry type, and role in business with the success factors of business longevity, profitability, and number of employees.

Research Questions

The research questions that will guide this study included the following:

RQ_1: Which of the Full Range Leadership Model leadership styles is dominant of entrepreneurs who sustain organizations?

RQ_2: Which of the Full Range Leadership Model leadership styles is more prevalent in the identification of leaders who also exhibit an entrepreneurial leadership style?

RQ_3: How do leaders with various combinations of leadership styles relate to the variables of gender, education, industry type, and role in business?

RQ_4: How do various combinations of leadership styles, gender, education, industry type, and role in business relate to the success factors of years of operation, profitability, and the difference in the number of employees?

Background and Significance

The study of leadership is an ancient practice. Some trace leadership studies to the time of Moses, others to ancient Chinese culture, and still others to the Renaissance period (Grint, 2011; Stogdill & Bass, 1981). Thomas Carlyle, a writer who focused on leadership studies in the 1800s, associated leadership with the 'Great Men' of history who were perceived as influencers and extraordinary individuals (Grint, 2011, p. 8). Modern leadership studies in the 20th century developed theories and examined leaders who led in times of challenge, change, and uncertainty, such as Winston Churchill during World War II (Stogdill & Bass, 1981). The study of leadership has continued to evolve, as leadership has been noted as a key factor of a successful organization (Landis, Hill, & Harvey, 2014).

Management theory has also been foundational in developing leadership theories and strategies for a changing business environment. Maslow's Hierarchy of Needs, McGregor's Theory X and Theory Y, and Hersey and Blanchard's Situational Leadership Theory challenged traditional management and leadership theories that focused on tasks and rewards (Grint, 2011; Landis et al., 2014). Management theory created a foundation to build additional leadership theories focusing on the self-actualization of workers, context, and environment, as well as managing change.

Leadership theories have been designated as leader-centric or follower-centric. However, in examining these two categories of leadership, researchers have discovered conflicting data about the effects on performance, while other studies link no significant difference in performance (Stogdill & Bass, 1981). Therefore, this distinction did not fully reveal the leadership styles relevant to today's business marketplace. James Downton first used the term transformational leadership in 1973, which was later popularized by James McGregor Burns in

1978 (Diaz-Saenz, 2011). The Full Range Leadership Model, credited to Bass and Avolio, was developed to address transformational and transactional leadership styles of individuals (Avolio, 2011; Diaz-Saenz, 2011).

Transformational Leadership

Transformational leadership is a leadership style that categorizes leadership characteristics as idealized influence attributed, inspirational motivation, intellectual stimulation, and individual consideration (Heinitz et al., 2005). "For the past 30 years, transformational leadership has been the single most studied and debated idea within the field of leadership studies" (Diaz-Saenz, 2011, p. 299). Transformational leaders transform an organization by helping followers reach their full potential while achieving business goals. Ling, Simsek, Lubatkin, and Veiga (2008a) conducted a study of 121 firms to determine the impact of a transformational leadership style on performance of small- and medium-sized enterprises (SMEs). The results from their study indicated that chief executive officers' (CEOs) transformational leadership styles positively impacted performance because of the CEOs' direct influence on organizational outcomes in SMEs. Furthermore, their hypothesis of higher business performance for founder CEOs was supported for SMEs (Ling et al., 2008a). Therefore, founder CEOs, who are also entrepreneurs, impact performance when considering the size of the business.

Business failure rates demand that leaders adapt their leadership style to manage change and innovation, while helping employees grasp the overall vision of their businesses. Kouzes and Posner (2012) stated that a leader forms "a relationship between those who aspire to lead and those who choose to follow… a relationship characterized by mutual respect and confidence will overcome the greatest adversities and leave a legacy of significance" (p. 30). These adversities

could be environmental uncertainty, lack of funding, or changes in the industry. CEOs, top management teams, and entrepreneurs who are transformational leaders apply their leadership skills by managing organizational or employee changes to lead employees well in the midst of change (Pawar & Eastman, 1997). Yet, managing industry instability, economic factors, opportunity recognition, or risk needed to start and sustain a business may not be fully realized by solely using the transformational leadership style.

Transactional Leadership

While transformational leadership has been a focus of leadership research, managers, business owners, and entrepreneurs can influence employees and organizational outcomes using other leadership styles. Transactional leadership is a leadership style that focuses on contingent reward, management-by-exception, and laissez-faire theories (Heinitz et al., 2005). Transactional leadership is an exchange between leader and follower to achieve a desired outcome (Northouse, 2016). Employees are rewarded for completing tasks, which maintains or increases overall business performance. Bass and Avolio (1990) developed *The Multifactor Leadership Questionnaire* to assess specific leadership behaviors. Bass posited that leaders should combine both transactional and transformational leadership behaviors (Diaz-Saenz, 2011). This assertion supports the combination of leadership styles in order to increase leadership effectiveness. Howell and Avolio (1993) studied the impact of transformational leadership, transactional leadership, locus of control, and support for innovation in predicting business unit performance in 78 top-level managers at a Canadian financial institution. Their study supported the assertion that transformational leadership was a predictor for business unit performance, while transactional leadership negatively affected business unit performance. The results from this study bring into question how the level of manager or leader and leadership

style impacts business performance, resulting in a need for further research on the level of leader and leadership styles.

Entrepreneurial Leadership

The entrepreneurial leadership style involves projecting a vision to gain participation of others, while bearing risk, innovating, seizing opportunities, and managing change (Gupta et al., 2004). This leadership style has been measured by using the ENTRELEAD scale (Renko et al., 2015). Leaders using an entrepreneurial leadership style focus on "mobilizing the resources and gaining the commitment required for value creation" (p. 242). This style of leadership is not hindered by resource constraints and is characterized by rallying people to join the individual or organizational efforts. Gupta et al. (2004) conducted a cross-cultural study of 15,000 middle-level managers to understand the effectiveness of entrepreneurial leadership using the Global Leadership and Organizational Behavior Effectiveness survey on leadership. Out of the 112 leadership attributes in this survey, 23 leadership behaviors were identified to align with entrepreneurial leadership. The findings from their study indicated that entrepreneurial leadership is a universally recognized concept and more prominent in Western cultures.

The concept of entrepreneurial leadership arose out of the need to address the fast-paced and changing business environment. This environment, also referred to as a dynamic market, has required leaders to be transformative, as well as innovative and proactive, while managing risk (Tarabishy, Solomon, Fernald Jr., & Sashkin, 2005). The context by which the entrepreneurial leadership style is activated may impact a leader's use of this style. If an organization is experiencing turbulence, attributed to new venture development, industry changes, or organizational change, an entrepreneurial leadership style could result in the willingness of a leader to take risks and contribute innovative ideas to lead the organization to a

point of stability. These distinct behaviors of the entrepreneurial leadership style distinguish it from transformational leadership. Therefore, demonstrating transformational and entrepreneurial leadership behaviors would require a leader to use a combination of leadership styles. Individualized consideration, a key component of transformational leadership, is also not considered a construct of entrepreneurial leadership, demonstrating differences in the leadership styles. Individualized consideration is a leadership behavior that provides support to followers to help them reach self-actualization (Northouse, 2016). The entrepreneurial leadership style focuses on the exploitation of opportunities for the organization instead of providing this type of ongoing support to employees. Even so, an organization may require the combination of the transformational leadership and entrepreneurial leadership styles to be exhibited by a leader as an organization ages. Business leaders need specific leadership skills to succeed, while still considering the business environment and organizational context.

The entrepreneurial leadership style is not a leadership style solely devoted to entrepreneurs. Studies of corporate entrepreneurship, also known as an entrepreneurial orientation, have indicated that entrepreneurial behaviors within an organization lead to increased performance (Engelen et al., 2015; Seong, 2011). Yang (2008) conducted a study of Taiwanese top-level managers to determine the impact of entrepreneurial leadership or an entrepreneurial orientation on performance. The results from the study supported the assertion that entrepreneurial leadership increased business performance. However, in comparing transformational, transactional, and entrepreneurial leadership styles, Yang discovered that transformational leadership style was “the best predictor of performance” (p. 272) over the other leadership styles. Research on the interaction of these leadership styles is rather limited, and

additional research is needed to understand how these three leadership styles affect business outcomes.

The leadership styles of entrepreneurs influence the direction of their business. Entrepreneurs launch and grow businesses, which requires specific leadership skills. However, the skills and behaviors required to start a business, such as risk assumption, leveraging financial resources, and the ability to identify opportunities (Bender, 2007) do not always translate into the needed skill set to lead a growing organization. With a 75% failure rate for startup companies that take venture capital (Hann, 2013), there is a need for leadership skills to help transition a business from the startup stage to a successful business. The stages of development of an organization also impact a leader's ability to effectively lead. Entrepreneurs typically have higher perceived self-efficacy and social skills that enable them to start businesses (Bender, 2007). However, once a business is started, entrepreneurs have to sustain the business and transition from the role of entrepreneur to CEO. Forty-nine percent of privately held businesses started in 2010 were no longer in operation as of 2016 (United States Department of Labor, Bureau of Labor Statistics, 2016). Therefore, understanding the leadership styles of entrepreneurs could give insight into how to help entrepreneurs lead their organizations past this initial five-year threshold. This large percentage of business failures within the first five years of operation minimizes business longevity; thus, business longevity is defined as an organization that has exceeded that five-year point in operations. Businesses that continue to operate over many years can provide jobs and stability for a local economy. Therefore, creating a business that lasts beyond the initial five years of operation is significant for entrepreneurs, and business longevity may also be impacted by the leadership style of an entrepreneur.

Leadership styles have been studied for CEOs, top management teams, and employees (Engelen, Gupta, Strenger, & Brettel, 2015; Ling, Simsek, Lubatkin, & Veiga, 2008b; Waldman, Ramirez, House, & Puranam, 2001). The leadership styles exhibited by an individual can influence the level of output and overall performance of employees (McClesky, 2014). Additionally, the Development Dimensions International, Inc. 2011 Global Leadership Forecast Research demonstrated that "organizations with the highest quality leaders were 13 times more likely to outperform their competition in key bottom-line metrics such as financial performance, quality of products and services, employee engagement, and customer satisfaction" (Boatman & Wellins, 2011, p. 8). Further research is needed to discover leadership styles that are most effective at stimulating organizational performance for businesses operated by entrepreneurs. The leadership styles of entrepreneurs are critical to the understanding of business longevity and performance.

Considering the number of businesses in the United States, additional opportunities for research on entrepreneurial leadership styles exist. Research in the area of self-management and entrepreneurship indicates that there is a direct correlation between self-management skills and firm performance (Lucky & Minai, 2011). Entrepreneurs learn to manage their resources in order to create a valuable new entity and initially function as technicians in small start-up businesses. Freeman and Siegfried (2015) suggest that the leadership style during start-up and the growth phase are different. While some entrepreneurs may have started their business using an entrepreneurial leadership style, sustaining that leadership style during subsequent phases of business growth may require a change in leadership style to achieve business success.

Since transformational leadership behaviors can emerge during organizational change, the transformational leadership style may be the most likely style of entrepreneurs (Bass, 1985).

Transformational leaders are "characterized as one who articulates a vision of the future that can be shared with peers and subordinates, intellectually stimulates subordinates, and pays high attention to individual differences among people" (Lowe & Galen Kroeck, 1996, p. 386). However, organizations can grow, develop, and become successful using the combination of transactional and entrepreneurial leadership styles, as well. Tarabishy et al. (2005) conducted a pilot study of CEOs, managers, and their subordinates to determine the relationship between transactional and transformational leadership styles and an entrepreneurial orientation. Their findings indicated that leaders with an entrepreneurial orientation demonstrated both transformational and transactional leadership behaviors. While research has drawn a distinction between transactional and transformational leadership styles over the last forty years, research on the combination of leadership styles from the Full Range Leadership Model, including transactional, transformational, or laissez-fair leadership, and the entrepreneurial leadership style is needed.

The problem of this study will be significant to research in leadership studies and businesses because it further applies leadership theory in the context of entrepreneurs and their businesses. Businesses are operating in dynamic markets, requiring a new leadership style for tomorrow's leaders (Tarabishy et al., 2005). Researching leadership styles that help business owners lead their businesses will translate the current research on CEO and top management team leadership styles to a different population. Therefore, examining leadership styles of entrepreneurs will provide insight into how companies can stay in business and become successful after the initial five years of operation.

Limitations

The limitations for this study will be established using the following parameters:

1. This study will be a descriptive study that uses a survey to collect data. The data collected will come from individual entrepreneurs who will voluntarily participate, and the number of responses can limit the results.
2. The participants will be limited to entrepreneurs whose organizations operate within the metropolitan service region including a major city and outlying communities within a 50-mile radius of a Midwestern city with a population less than 500,000 people in the United States.
3. This study will be limited to the leadership styles of transformational, transactional, and laissez-faire leadership as identified using the MLQ, as well as the entrepreneurial leadership style as identified using the ENTRELEAD scale. These leadership styles interact and affect how individuals lead their businesses.
4. This study will be limited to the demographic factors of gender, education level, industry type, years of operation, the number of employees at the organization, current role in business, and profitability.

Assumptions

This study will be based on the following assumptions:

1. Entrepreneurs surveyed lead themselves and others within their organization.
2. Participants based their responses on their actual experiences and had adequate understanding of organizational leadership to complete the survey.
3. Participants' information about their businesses and leadership position is accurately represented.
4. Leadership styles are learned and can be modified through education, life experience, and training.

Procedures

The purpose of this study is to investigate the leadership styles of entrepreneurs who operate successful businesses. Descriptive research using a survey research design will be used to address this research problem. The population includes entrepreneurs who operate organizations within the metropolitan service region of a city with less than 500,000 people in the Midwestern United States. The region includes the major metropolitan city and outlying communities within a 50-mile radius. The population of businesses is 40,357 within the metropolitan service area (United States Census Bureau, 2015). The combination of business lists maintained by the area Chamber of Commerce organizations and subscribers to the main city's business journal will be used to identify the business population for this study. It is estimated that the businesses represented by these groups reduce the population to approximately 9,000 to 10,000 area businesses. The area Chamber of Commerce organizations in the primary city and surrounding suburban cities will give the researcher access to their directory of businesses to invite businesses to participate in this study. Businesses on lists maintained by area Chamber of Commerce organizations and subscribers of the main city's business journal within the metropolitan service region of the designated city will be invited to participate. A multi-method delivery of the survey will be used to assist with acquiring adequate numbers of respondents. Data will be collected from the participants on a password protected website. The survey will be sent to potential participants, and participants will be informed of the purpose of the data collection in the cover letter. Paper surveys will be administered as needed. In the introduction to the survey, participants will be assured that data from the survey will remain confidential.

Participants will complete a survey divided into three subsections, including demographic questions, the *Multifactor Leadership Questionnaire* (MLQ), and the ENTRELEAD scale. The demographic questions will include the participant's gender (Eagly, Johannesen-Schmidt, & van Engen, 2003; Eagly & Johnson, 1990), education level (Bates, 1990), industry type (Rowold & Heinitiz, 2007), years of operation (Bates, 1990), the number of employees at current organization (Rowold & Heinitiz, 2007), current role in business (Drucker, 2002; Ling et al., 2008b; Ucbasaran et al., 2003), and profitability (Waldman et al., 2001). The remaining sections of the survey will use the *Multifactor Leadership Questionnaire* (MLQ) Form 5X-Short to assess behaviors of transformational, transactional, and laissez-faire leadership styles (Bass & Avolio, 1990). Questions 1 through 45 correspond with the MLQ on the survey in Appendix A. Entrepreneurial leadership behaviors will be assessed using the ENTRELEAD scale, which is identified in Questions 46 through 53 on the survey in Appendix A (Renko et al., 2015).

After data are collected, selecting the participants that met the criteria of an entrepreneur may reduce the sample, representing a subset of the original sample. The mean, median, and standard deviation will be used to analyze these data. Leadership behaviors from the MLQ and ENTRELEAD scale will result in an interrelated leadership style score by analyzing the results from the corresponding questions on the survey (Appendix A). These data will be analyzed using a two-sample chi-square. Furthermore, demographic factors of gender, education level, industry type, current role in business, and leadership styles will be analyzed using chi-square to describe the relationship between variables. Then, a Multivariate Analysis of Variance (MANOVA) will be used to examine the differences among leadership styles, gender, education level, industry type, and current role in business with years of operation, the change in number of employees since founding, and profitability by comparing variances (Leedy & Ormord, 2013).

The research questions from this study will be answered from the results from the survey and data analyses, resulting in conclusions and recommendations for practitioners and future research.

Definition of Terms

The following terms are provided to give the reader clarity for this study:

Business performance is defined in terms of the level of business profitability and percentage change over a period of time.

Business longevity and sustainability is defined as characteristics of an organization that has operated for five years or longer as a revenue-generating business.

Entrepreneurs are individuals who attempt to create something of value by assuming risk and investing time, resulting in monetary rewards (Visser et al., 2005).

Entrepreneurial Leadership is a leadership style that focuses on casting vision, assuming risk, seizing opportunities, and cultivating innovation between the leader and follower while adapting to change or uncertainty (Gupta et al., 2004). An individual does not have to be an entrepreneur to demonstrate an entrepreneurial leadership style.

Laissez-Faire Leadership is "the absence of leadership" (Northouse, 2016).

Leadership is "the study of how men and women guide people through uncertainty, hardship, disruption, transformation, transition, recovery, new beginnings, and other significant challenges" (Kouzes & Posner, 2010, p. 93).

Profitability is "measured as profit relative to assets" (Weiner & Mahoney, 1981, p. 456).

Transactional Leadership is a leadership style that focuses on exchanges between leader and follower for the purpose of performance or productivity (McCleskey, 2014).

Transformational Leadership is a leadership style that transforms a leader-follower relationship through charisma, inspiration, vision, and supportive behavior, which is further defined as an idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Heinitz et al., 2005; McCleskey, 2014).

Sustaining organizations are organizations that are currently in operation for longer than five years.

Success factors are the combination of profitability, the change in the number of employees, and the years of operation for a business as used in this study.

Summary and Overview

Studies about leadership styles have been debated in research for the last 30 years (Diaz-Saenz, 2011). Extending the study of leadership styles to entrepreneurs will give researchers a better understanding of the relationship between leadership styles and business success for this population. Research must be conducted to understand the impact of the leadership styles of entrepreneurs on their business success, as businesses have a significant impact on families, employees, communities, and national economies.

This study about leadership styles and business success will be separated into five chapters. Chapter I discussed the research problem of leadership styles of entrepreneurs and business performance. The problem is directed by research questions associated with transformational, transactional, laissez-faire, and entrepreneurial leadership styles and the demographic information, including gender, education level, industry type, years of operation, the difference in the number of employees at since founding, current role in business, and profitability. Additionally, Chapter I detailed the limitations and assumptions of this study, as well as the procedures to collect the data using a survey. Chapter II will review the related

literature and cover the following topics: leadership theory, transformational, transactional, and entrepreneurial leadership styles, business performance, entrepreneurs, and business longevity. Chapter III will detail the methodology and procedures to conduct this study, including the surveys used, population, data collection, and data analysis. Using Bass and Avolio's (1990) *Multifactor Leadership Questionnaire* and the ENTRELEAD scale, the leadership styles of entrepreneurs will be examined to compare the data to gender, education level, industry type, years of operation, the change in number of employees since business founding, current role in business, and profitability. Chapter IV will describe the statistical analysis and findings from this study related to leadership styles, entrepreneurs, and business performance. Chapter V will detail the summary, conclusions, implications for leadership studies, and recommendations for future research.

CHAPTER II

REVIEW OF LITERATURE

Chapter II addresses the research related to leadership and entrepreneurship to provide a framework for understanding leadership styles in entrepreneurial contexts. A review of literature has been completed to present the historical foundations of leadership studies and examine leadership styles, as well as review leadership's impact on firm outcomes. The following literature review contains six subsections: (a) leadership defined through a historical lens, (b) leadership theories and leadership styles in organizations, (c) the intersection of entrepreneurship and leadership, (d) gaps in the literature for leadership studies in entrepreneurial contexts, (e) and a review of leadership studies and leadership's impact on business performance. These subsections were included in the review of literature because the topics narrow the leadership field to specific leadership theories while understanding the role of entrepreneurship as a function of organizational leadership. The theoretical framework for this study and conclusions are stated based on this review of the literature.

Historical Lens in Defining Leadership

The field of leadership has yet to develop one definition for leadership (Northouse, 2016). Scholars have evolved in their perspective of what constitutes an effective leader. Influence, power, and accomplishment have been weaved throughout early definitions of leadership in military, business, and educational contexts. At a leadership conference in 1927, General M. B. Stuart, superintendent of the West Point Military Academy, defined leadership "as the ability to impress the will of the leader on those led and induce obedience, respect, loyalty, and cooperation" (Moore, 1927, p. 124). Another individual, Arthur H. Young, categorized

leadership “as the ability to get results” (p. 126) at the same conference. Even early definitions of leadership presented a dichotomy between influence and accomplishment.

Leadership definitions presented in the 1920s developed into a focus on the traits of leadership (Northouse, 2016). Stogdill further delineated this focus on the traits of leadership by conducting two surveys to identify characteristics of leaders (Stogdill & Bass, 1981). Some of the traits included intelligence, sociability, persistence, and initiative, which created a broader definition of leadership. The Big Five Personality Factors, including neuroticism, extraversion, openness, agreeableness, and conscientiousness, have also been used to address the trait perspective of leadership. A meta-analysis of leadership and personality studies indicated that extraversion is most associated with leadership (Judge, Bono, Ilies, & Gerhandt, 2002). However, this approach to leadership significantly limits potential leaders based on personality. Introversion does not disqualify people from leadership positions. Hence, a more diverse perspective on leadership was needed to understand how to develop emerging leaders. Influence became an undertone to this shift in leadership studies.

Behavioral and skills approaches to leadership were developed after the trait approach did not fully answer the question of how individuals can cultivate leadership skills. Leaders’ actions and behaviors provide an understanding of patterns in how people respond to situations. The behavioral approach to leadership can be seen as prescriptive of specific types of responses to inputs. This approach has also divided leadership into the task and relationship behaviors required to complete objectives and maintain social relationships (Northouse, 2016). Even so, predetermined behaviors may not give leaders the flexibility to make decisions as they confront challenges. Katz (1974) developed a skills approach to leadership by defining the technical, human, and conceptual skills of a leader. Technical skills reflected an individual’s expertise, but

human skills reflected a leader's ability to work with people. Conceptual skills were the ability to see and understand the intricacies of an entire organization at one time. Conceptual skills are needed more in upper levels of management (Northouse, 2016). The skills-based approach to leadership does offer clarification and hope to aspiring leaders by reinforcing that leadership skills can be learned and developed.

Leadership is about influence, but it also must lead to the desired end. Northouse (2016) described leadership as "the process whereby an individual influences a group of individuals to achieve a common goal" (p. 6). While concise, Northouse's definition may not take into account the complexities leaders face in today's world. Kouzes and Posner (2010) described leadership as,

> the study of how men and women guide people through uncertainty, hardship, disruption, transformation, transition, recovery, new beginnings, and other significant challenges. It's also the study of how men and women, in times of constancy and complacency, actively seek to disturb the status quo, awaken new possibilities, and pursue opportunities. (p. 93)

Kouzes and Posner's definition of leadership integrates the changing dynamics in the 21st century. An individual cannot exhibit leadership without a challenge and followers who participate in a journey. Challenge creates the need for leaders to use their skill sets for the benefit of others and to achieve a goal. Political, environmental, technological, and organizational forces require leaders to grow, adapt, and ultimately lead. Leaders may also experience resistance to change as they lead. Kurt Lewin contributed to the field of change management, which affects leaders as they navigate change. The Lewin three-step change model includes "unfreezing from the current state, transitioning to a future state, and refreezing in the new state, which anchors new behaviors into daily routines and culture of the organization" (Van

Tiem, Moseley, & Dessinger, 2012, p. 63). This model simplifies the process of managing change despite the internal or external influences. Managing change and uncertainty is an increasing challenge to leadership. Nevertheless, the underlying traits, characteristics, skills, or behaviors required of leaders in complex, uncertain environments may show that while the study of leadership has evolved, the underlying leadership theories of effective leaders has a significant bearing on understanding the new paradigm of leadership.

Entrepreneurship and Leadership

Even before entrepreneurship was defined as an activity, barter and exchange was one of the first mediums by which to obtain goods and services from others. The French were the first to begin the written discussion about entrepreneurship and describe entrepreneurial activities in the 18th century (Hebert & Link, 2009). Richard Cantillon, a French author, published his first work that included a theory of entrepreneurship in 1775, which connected entrepreneurial activity with economic theory (Brown & Thornton, 2013). Although Cantillon propagated the word entrepreneur, Jean Baptiste-Say is most commonly attributed with first using the term entrepreneur. However, Say's interpretation of an entrepreneur focused more on administration than the activity of creating an enterprise (Hebert & Link, 2009). Entrepreneurs in history have varied from medieval merchants who were selling their services and wares to military men and explorers pioneering new territory. These individuals demonstrated entrepreneurial behaviors in their various contexts and led a specific enterprise. Entrepreneurship became a core aspect of economic activity in countries.

Swiercz and Lydon (2002) also proposed that an entrepreneurial revolution has changed the economic landscape of the United States. The study of entrepreneurship gained popularity in research when large, established organizations began to see the value in traits associated with

entrepreneurs. An entrepreneurial orientation (EO) was developed as a theory to describe this phenomenon. Proactiveness, risk-taking, and innovation became the defining characteristics of EO (Covin & Slevin, 1991). Covin and Slevin proposed an organizational level model of entrepreneurship where an entrepreneurial posture and firm performance are mediated by environmental conditions. This model changed the contemporary conversation of entrepreneurial activity being sequestrated to small, start-up organizations. One defining characteristic of entrepreneurial behavior is opportunity recognition (Ucbasaran, Westhead, Wright, & Binks, 2003). While identifying characteristics of entrepreneurs can help researchers understand behavior, novice and habitual entrepreneurs start and grow businesses that have an economic impact on society. Essentially, entrepreneurs are leaders of organizations, but there has been a lack of research on leadership in entrepreneurial contexts (Timmons & Spinelli, 2004). Fernald, Solomon, and Tarabishy (2005) posited that the "organizational archetype of the future will be entrepreneurial" (p. 4). With paradigm shifts within organizations due to economic, political, and technological forces, a new type of leadership is needed in organizations that are managing change. Therefore, research on leadership within entrepreneurial contexts can give insight into leadership styles that increase or sustain firm performance in contemporary organizations.

Leadership does impact firm performance. Research indicates a direct correlation between owner-founders and success (Drucker, 2002; Ling et al., 2008b; Ucbasaran et al., 2003). Ucbasaran et al. conducted a study to determine the impact of novice entrepreneurs versus habitual entrepreneurs on opportunity recognition. Habitual entrepreneurs or serial entrepreneurs are characterized by repeatedly founding multiple organizations over a period of time. This type of entrepreneur has higher levels of innovation than novice entrepreneurs and is more likely to

identify opportunities that are problem-based. Meeting market demands can lead to increased business success by having a target market interested in an entrepreneur's product or services. Entrepreneurship, and more specifically founder characteristics, can impact firm performance. Almus and Nerlinger (1999) explored the impact of founder characteristics on the growth of technical firms. Their findings indicated that founder characteristics, such as a technical degree or human capital of the founder, had a positive impact on firm growth. Other factors such as vision and vision communication are also positively correlated with organizational performance (Baum, Locke, & Smith, 2001). Leaders who are able to effectively communicate a vision to their organizations had a greater impact on organizational outcomes in comparison to the impact of organizational age or size (Baum et al., 2001).

Leadership holds direct significance for novice and habitual entrepreneurs. An entrepreneur's ability to adapt their leadership competencies to the life cycle of the organization impact the sustainability of their leadership and ultimately the organization (Swiercz & Lydon, 2002). Studies on entrepreneurship and leadership began by examining entrepreneurs' biographical and psychological profiles to determine how the person's characteristics impacted their ability to lead and grow an organization. However, focusing on entrepreneurial characteristics did not fully answer the question of how the leadership styles of entrepreneurs impact business growth and performance. The lack of understanding of the intersection of entrepreneurship and leadership created the need for a new paradigm to explain this phenomenon (Fernald et al., 2005). Fernald et al. explored the similar characteristics of both entrepreneurs and leaders. Their study proposed a new paradigm to combine these two areas as entrepreneurial leadership. Entrepreneurial leadership could then be defined as a distinct leadership style, which created opportunity for future research studies.

Leadership Theory and Leadership Styles

Leadership theory has used different types of leadership styles to describe different perspectives toward leadership. The Full Range Leadership Model describes transformational, transactional, and laissez-faire leadership as a continuum in that an individual's leadership skills may fall at different points on the continuum. The entrepreneurial leadership style is also a distinct leadership style that has challenged the contemporary discussion about how leaders can lead within change and uncertainty. The following section details the development of these leadership theories.

Transformational and Transactional Leadership Theory

Since its inception, transformational leadership theory remains a predominant paradigm in leadership research (Ghasabeh, Soosay, & Reaiche, 2015). Burns (1978) defined leadership as "the reciprocal process of mobilizing by persons with certain motives and values, various economic, political, and other resources, in a context of competition and conflict, in order to realize goals independently or mutually held by both leaders and followers" (p. 425). This researcher was the first to make the distinction between transformational leadership and transactional leadership. Transformational leadership requires a leader to lead in such a way that the individual, their followers, and organization are positively transformed. The original development of transformational leadership theory aligned with Maslow's Hierarchy of Needs in that leaders were challenged to move followers to the point of self-actualization (McClesky, 2014).

Bass (1985) conducted a study to determine the components of transformational leadership. Three components, including charismatic leadership, intellectual stimulation, and a focus on development of followers, were correlated with transformational leadership. Bass's

initial research on this leadership style was later conceptualized as the Full Range Leadership Model. In this model, transformational leadership and transactional leadership were viewed on a continuum. The key elements of transformational leadership are defined as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Avolio, 2011). The focus of transformational leadership in this model was on improving performance and developing followers. Conversely, transactional leadership was a leadership style that was characterized by Contingent Reward and Management-by-Exception theories. It focused on the completion of tasks and accomplishment of goals with rewards and negative consequences for not meeting objectives. Essentially, transactional leadership represents an exchange relationship between leader and follower.

Within the Full Range Leadership Model, Laissez-Faire leadership is the final leadership style that represents the absence of leadership. This model has been used as a foundational theory in transformational leadership research using the *Multifactor Leadership Questionnaire* as the corresponding instrument to gather data. Laissez-Faire leadership assumes that a leader is not exercising leadership behaviors. Therefore, the emphasis of this review of literature is on leadership behaviors demonstrated using the transformational and transactional leadership theories within the Full Range Leadership Model.

However, transformational leadership theory has not been without criticism. Yukl (1999) challenged previous research on transformational leadership by articulating conceptual weaknesses within this construct. This researcher posited that the focus of research on transformational leadership was too encompassing of individual influence without adequate focus on organizational processes. Additionally, he challenged that the Full Range Leadership Model did not provide distinct constructs of transformational leadership because intellectual

stimulation tends to overlap in some capacity with individualized consideration and inspirational motivation. This argument has also been refuted by the interdependent relationship of all the transformational leadership elements (Northouse, 2016). Yukl (1999) also posited that more empirical studies were needed to determine how transformational leadership was related to leadership effectiveness. Additional research in transformational leadership since the criticisms published by Yukl has increased the validity of transformational leadership as a distinct leadership style that influences individual and organizational outcomes (Engelen et al., 2015; Ling et al., 2008a; Ling et al., 2008b; Waldman et al., 2001). Even so, these points reinforce the need for additional studies on leadership styles in various contexts.

Entrepreneurial Leadership Theory

Entrepreneurial leadership is in its initial stages of formation as a distinct leadership style. The definitions of entrepreneurial leadership have evolved over the past two decades. Cunningham and Lischeron (1991) defined entrepreneurial leadership as setting goals and empowering people to describe entrepreneurial activity. This definition did not adequately describe the environment or behaviors of entrepreneurial leaders. Renko et al. (2015) described entrepreneurial leadership as "influencing and directing the performance of group members toward the achievement of organizational goals that involve recognizing and exploiting entrepreneurial opportunities" (p. 55). The ENTRELEAD scale was developed to assess this leadership style. The foundations of the entrepreneurial leadership style related to influencing others align with the transformational leadership style. However, entrepreneurial leadership theory should consider context within its framework. This context could be a new venture, established corporation, or family firm, while accounting for the individual entrepreneur's ability to take risks, innovate, identify new opportunities, and manage uncertainty.

Examining the definitions of entrepreneurial leadership in the literature is only the beginning to understanding how it is characterized and fits within an organization. Similar to the research on leadership, entrepreneurship has also been described in terms of traits within the supply-side perspective of entrepreneurship. The *Big Five* Personality dimensions within entrepreneurship are risk-taking, need for achievement, need for autonomy, self-efficacy, and locus of control (Vecchio, 2003). These traits could also be descriptive of the entrepreneurial leadership style. The other side juxtaposed to entrepreneurial trait theory is examining entrepreneurial rates. Entrepreneurial rates account for the environments in which entrepreneurial activity occurs and aligns with the demand-approach to entrepreneurship.

The entrepreneurial leadership style has also been described using a work-oriented approach or a socio-cultural and situated approach. Under the work-oriented approach, entrepreneurs are perceived to have specific competencies needed to be successful. Swiercz and Lydon (2002) identified entrepreneurial leadership competencies that were necessary for the start-up and maturity stages of an organization, as entrepreneurs are managing the complexities surrounding new venture creation. These functional competencies of proactiveness, risk-taking, and innovativeness align with other research on entrepreneurial behaviors (Covin & Slevin, 1991). The socio-cultural and situated approach to entrepreneurial leadership considers the context and social network around which the entrepreneurial activity occurs (Bagheri & Pihie, 2011). These approaches to entrepreneurial leadership provide different lenses with which to view entrepreneurial activity.

A comparison of entrepreneurial leadership, transformational leadership, and transactional leadership styles reveals distinct differences between these three leadership approaches. Leaders using the entrepreneurial leadership style may lack inspiration or charisma

that typically characterizes transformational leaders (Renko et al., 2015). They may also motivate and inspire subordinates to achieve organizational goals through imitation by role modeling instead of inspiring others to personal achievements. Since the entrepreneurial leadership style lacks individualized consideration as a construct, it becomes apparent that these leadership styles are distinct. Transformational leadership inspires people to achieve organizational goals but also accomplish personal goals. Renko et al. (2015) proposed that the entrepreneurial leadership style does not include individualized consideration, which is a foundational element of transformational leadership in the Full Range Leadership Model. However, in comparing transactional leadership style to the entrepreneurial leadership style, entrepreneurial leadership is more transformational than transactional (Yang, 2008). The research is inconsistent on the relationship between the leadership styles in the Full Range Leadership Model and the entrepreneurial leadership style. Therefore, the lack of research on the combination of leadership styles presents a gap in the literature, as well as a need for additional research in describing the relationship between these leadership styles.

Gaps in Leadership Studies

Leadership styles have been studied in various contexts; however, research about leadership styles and entrepreneurship has been limited. Transformational leadership is the most common leadership style that has been studied over the last 30 years (Dionne et al., 2014). Executives in organizations can exhibit a variety of leadership styles, but research has yet to provide data on of the combination of the transformational, transactional, or laissez-faire leadership styles and the entrepreneurial leadership style.

Leadership styles within entrepreneurial contexts are important to the study of leadership, as the context has a substantial impact on future training and development of leaders. Founders

of new organizations have to take an idea from conception to implementation, followed by growing and developing an organization. This life cycle of an organization can impact leadership skills exhibited by the entrepreneurs (Vecchio, 2003). Vecchio proposed a model of entrepreneurial leadership that defines the life cycle of a start-up organization in the following three phases: prelaunch and launch, ongoing concern, and exiting. Each phase requires leaders to focus on different actions while managing psychological and economic factors. High business failure rates within the first few years of business operations present an area within leadership studies that needs to be explored (Hann, 2013). In addition to entrepreneurial contexts, transformational leadership has also been examined as it relates to CEOs, top management teams, and entrepreneurs. Current research related to leadership styles within a CEO or top management team context, as well as corporate entrepreneurial activities defined as an entrepreneurial orientation, gives insight into how executives use leadership styles to engage employees and increase productivity. Leadership styles in relationship to gender, emotional intelligence, innovation, and employee performance have also been areas of research that have demonstrated the positive impact of leadership on organizational outcomes. However, current research indicates the need for leadership research in other organizational contexts, as well.

The following sections will demonstrate the gaps in research in transformational leadership studies and entrepreneurial leadership studies by identifying the current areas of research. To further examine the current research, the following analysis is divided into transformational and entrepreneurial leadership styles in order to better understand gaps in the current literature and areas for future inquiry. Gender, emotional intelligence, organizational innovation, and performance's relationship with the transformational leadership style will be examined. The section following transformational leadership will explore an overview of the

current and future research opportunities for the entrepreneurial leadership style, including entrepreneurial contexts, gender, organizational innovation, and performance.

Transformational Leadership Style

Research related to transformational leadership has evolved since the 1970s from its original conception by Burns (1978). Burns identified transformational leadership as a type of leadership that engages followers and distinguished it from transactional leadership. Researchers continue to study this leadership theory, making it the most frequently studied leadership style (Dionne et al., 2014). The concept of transforming organizations and people was initially characterized as charismatic leadership. The definition has expanded to transformational leadership, where a leader's personality is not solely the requisite to transform organizations. The development of followers is an essential component of transformational leadership, whereas charismatic leadership focuses on the leader and organization. However, there is contradictory research on charismatic leadership. The Conger–Kanungo Scales for charismatic leadership measures sensitive to the environment, sensitive to members' needs, strategic vision and articulation, personal risk, and unconventional behavior (Rowold & Heinitiz, 2007). For the purpose of this analysis, charismatic is only one attribute of transformational leadership under the idealized influence component, but transformational leadership is defined as part of the Full Range Leadership Model, including idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Northouse, 2016). This framework is consistently used in research studies and evaluated using the *Multifactor Leadership Questionnaire*, the most widely used assessment tool to evaluate transformational and transactional leadership styles. Some scholars contend that transformational leadership lacks conceptual clarity in defining it as a separate leadership style from other leadership theories. However, the consistency of using this

framework in previous studies supports the validity of this model. Transformational leadership has been found to be an effective leadership style in the analysis of leadership and organizational outcomes (Nemanich & Keller, 2007; Quintana, Park, & Cabrera, 2015; Rowold & Heinitiz, 2007). Therefore, the following review of studies about transformational leadership will examine it as a leadership style and its relationship with CEO contexts, gender, emotional intelligence, organizational innovation, and performance to identify gaps in the literature for future inquiry.

CEO context. CEO leadership skills are studied to determine the impact of organizational leadership on business outcomes. Strategic management theory and the upper echelon theory support this assertion that CEO characteristics impact organizational effectiveness (Waldman et al., 2001). The upper echelon theory, in combination with leadership literature, posits that organizational context does impact the correlation between CEO behavior and firm performance. CEO leadership styles provide a specific framework in which to examine the impact of a CEO on their organization. Examining the literature on transformational and transactional leadership styles informs researchers of areas needing additional exploration.

CEO transformational leadership impacts firm performance, managing uncertainty, and the leader/follower relationship (Ling et al., 2008a; Ling et al., 2008b; Waldman et al., 2001). Transactional leadership and charismatic leadership behaviors can also impact the direction of a company. Furthermore, environmental uncertainty, combined with these leadership behaviors, may impact firm performance. Environmental uncertainty involves economic, political, social, and technological elements that create high stress and anxiety for management and employees. Waldman et al. (2001) conducted a study addressing CEO leadership behaviors in uncertain environments. This study included 210 executives from Fortune 500 companies who completed

a questionnaire about transactional and charismatic leadership styles. Charismatic leadership style was defined as "a relationship between an individual (leader) and one or more followers based on leader behaviors combined with favorable attributions on the part of followers" (p. 135). This style of leadership explored in the Waldman et al. study was under the premise that charismatic leadership includes leaders generating feelings of admiration from their followers. Although this type of leadership is not synonymous with transformational leadership, charismatic leadership, as defined in this study, resembles the visionary, inspirational, and high expectations associated with transformational leadership. Uncertainty was defined as "an individual's perceived inability to understand the direction in which an environment might be changing, the potential impact of those changes on that individual's organization, and whether or not particular responses to the environment might be successful" (p. 136). The findings from the Waldman et al. study indicated that charismatic leadership is positively correlated with firm performance and environmental uncertainty. This research indicated that uncertain environments would affect charismatic leadership, which can be defined as a construct of transformational leadership under the Full Range Leadership Model. Strategic leadership skills are needed in times of uncertainty and change. While an organization may not experience an external influence, such as the economy creating uncertainty, organizations continually have to adapt to technology and innovations within their respective industries and organizations. Due to limited research related to CEO leadership behavior and profitability, the Waldman et al. study confirms the need for additional research in the area of leadership behavior and uncertainty. While this study was conducted in a CEO context, entrepreneurs face uncertainty in the different phases of operation. The moderating effect of uncertainty could affect leadership styles in other contexts besides the

CEO context. The impact of various leadership styles on performance with uncertainty as a moderating variable has also yet to be studied.

Additionally, Ling, Lubatkin, Simsek, and Veiga (2008b) sought to explore the impact of a CEO's transformational leadership behaviors in promoting corporate entrepreneurship by shaping the behaviors or characteristics of the top management team (TMT). This study included 152 small- to medium-sized enterprises (SMEs), their CEOs, and 416 TMT participants from within those organizations, who completed a survey about transformational leadership, behavioral integration, risk propensity, decentralization of responsibility, corporate entrepreneurship, and executive compensation. The findings indicated TMTs would be an intervening mechanism between CEOs demonstrating transformational leadership behaviors and the rise of corporate entrepreneurship in a firm. Therefore, these results are in alignment with the upper echelon theory in that top executives affect organizational goals and outcomes.

CEO's were also found to positively impact firm performance in SMEs, especially when demonstrating transformational leadership behaviors (Ling et al., 2008a). Ling et al. explored how organizational context related to performance and leadership style. One hundred twenty-one firms were represented in this study, which included a total of 330 participants. The upper echelon theory was also used as the conceptual framework for this study, as this theory is commonly used as a framework for leadership studies involving CEOs or top management teams as participants. Findings indicated that more experienced CEOs increased firm performance in comparison to less experienced CEOs, and CEOs using a transformational leadership style had a greater effect on performance in smaller organizations. The CEO context is not the only variable that affects organizational outcomes, and additional research in various organizational contexts is needed.

Entrepreneurial orientation. Organizational culture can also impact leadership styles. One specific aspect of organizational culture that is relatively new in the literature is an entrepreneurial orientation. Entrepreneurial orientation (EO) within organizations is a strategic organizational position that focuses the organization and its people on innovation, new opportunities, proactivity, and risk-taking (Engelen et al., 2015). Essentially, an entrepreneurial orientation focuses on entrepreneurship within corporate settings. Organizations must be open and receptive to feedback and improvement in order for an entrepreneurial orientation to be fostered and not squelched. Hostile environments, where new and creative ideas are not wanted, can stifle organizational innovation. The resource-based theory of a firm and the upper echelons theory are key theoretical constructs in which to understand the impact of transformational leadership on EO. The resource-based theory suggests that tangible and intangible resources strategically impact an organization's performance (Barney, 1991). Through this lens, the resource-based view identifies an EO as a dynamic capability, resulting in a potential competitive advantage for an organization (Todorovic & Schlosser, 2007). The upper echelons theory posits that executives influence the movement of an organization and its adoption of innovation and change. In combination with the upper echelons theory, the adaptive leadership theory focuses on "adaptions required of people in response to changing environments and how leaders can support them during these changes" (Northouse, 2016, p. 274). Since adaptive challenges are not easy to define, these challenges could resemble the uncertainty experienced by executives and entrepreneurs as they lead their organizations. However, the lack of established research using the adaptive leadership theory that relies on ideas and assumptions made the other three selected leadership theories more suitable for entrepreneurial contexts in this study (Northouse, 2016). Even so, the combination of the upper echelons theory and resource-based

theory of a firm suggests that the intangible leadership style of executives contributes to organizational performance and development (Engelen et al., 2015).

Transformational leadership behaviors can help facilitate open and receptive organizational cultures to innovation and change because this leadership style emphasizes building trust and empowering employees. In examining leadership behaviors within this context, Engelen et al. (2015) examined the impact of transformational leadership behaviors on EO and firm performance. These researchers conducted a study with 790 executives at SMEs who completed a survey studying transformational leadership styles, entrepreneurial orientation, and firm performance. The findings indicated that EO is positively correlated with firm performance, and transformational leadership behaviors did impact EO.

Kouzes and Posner (2012) suggest that transformational leadership needs to be modeled through practice in their transformational leadership theory. Transformational leadership, combined with an entrepreneurial orientation, requires active modeling through individual pursuit of becoming entrepreneurial in order to inspire employees to embrace this type of behavior. An entrepreneurial orientation has been suggested as a resource for established organizations; however, research has yet to indicate how these types of behaviors translate into helping a developing business become profitable.

Gender. Leadership styles and gender have also been a focus of research to delineate gender differences in leadership styles (Eagly, Johannesen-Schmidt, & van Engen, 2003; Eagly & Johnson, 1990). Powell (1990) explored the claim about differences in leadership styles in reviewing research on gender and managerial style, indicating there was no meaningful difference in how gender influences managers. A meta-analysis of 161 studies on gender and leadership from 1961-1987 challenged this perception that men and women do not differ in their

leadership styles (Eagly & Johnson, 1990). Eagly and Johnson analyzed the studies, and their findings categorized women as participatory leaders where subordinates have a voice in decisions, but men tend to be directive leaders who discourage participation in decision-making by subordinates. Women could also be described as having an interpersonal-oriented leadership style, while men had a task-oriented leadership style. Eagly, Johannesen-Schmidt, and van Engen (2003) later described these initial findings by Eagly and Johnson (1990) using the Full Range Leadership Model in an additional meta-analysis to understand how gender impacts transformational leadership behaviors. These researchers completed a meta-analysis of 45 studies on transformational, transactional, and laissez-faire leadership styles. The studies conducted on gender and leadership styles revealed that women are more likely to demonstrate transformational leadership behaviors and men more frequently demonstrate transactional leadership behaviors (Eagly et al., 2003). The interpersonal-oriented leadership style of women, described by Eagly and Johnson (1990) over a decade before, aligns with the transformational leadership style described in this meta-analysis. However, the effect size between men and women's leadership styles was small. Further research is needed to clarify how gender affects leadership style. Transformational leadership behaviors exhibited by both women and men led to leadership effectiveness. While gender can impact leadership behaviors, it was not a reliable predictor of leadership style (Eagly et al., 2003).

Finally, recent research has reinforced the differences between men and women's leadership styles (Paustian-Underdahl, Walker, & Woehr, 2014). Paustian-Underdahl et al. completed a meta-analysis of 99 studies examining gender and leadership effectiveness as a follow-up to the meta-analysis by Eagly, Karau, and Makhijani (1995). The findings from this analysis indicated differences in men and women's perceived leadership effectiveness depending

if the study used self-reported data or ratings by others. In 64 of the studies, women were found to be more effective leaders when using ratings reported by others in organizational contexts but not in laboratory settings (Paustian-Underdahl et al., 2014). Studies with self-reported data found men to be perceived as more effective leaders. This meta-analysis also found that the number of male and female subordinates also impacted leadership ratings. These findings show how context impacts research on leadership styles and gender.

Emotional intelligence. A transformational leader helps employees overcome frustrations, stress, and burnout by being aware of the emotions of others and redirecting those emotions and feelings to constructive behaviors. Mayer and Salovey (1993) developed the emotional intelligence theory as "a type of social intelligence that involves the ability to monitor one's own and others' emotions, to discriminate among them, and to use the information to guide one's thinking and actions" (p. 443). The four facets of the emotional intelligence model are perceiving, using, understanding, and managing emotions (Salovey & Grewal, 2005). The ability to perceive emotions enables leaders to detect outward expression in others and for a leader to identify their own emotions. Using emotions moves beyond the recognition phase into the implementation phase of applying those emotions to problem solve. Understanding emotions requires an intuitive approach to delineate between small emotional changes. Finally, managing emotions addresses one's ability to regulate their emotions and other's emotions. Leaders cannot overlook emotional intelligence in the employee hiring, promotion, and retention process (Goleman & Boyatzis, 2008).

Goleman (1998) described emotional intelligence as a broad construct composed of personal and social competencies. The different competencies are identified as self-awareness, self-regulation, motivation, empathy, and social skills. Managing emotions has significant

implications for leaders, as it can directly impact productivity and achievement of goals (Salovey & Grewal, 2005). In high-complexity jobs, emotional intelligence distinguishes between low and high performers (Goleman, 1998). A leader's capability to channel others' emotions is vital in executive positions within an organization and could be viewed as a personal competitive advantage. Emotional intelligence is an ability that sets effective leaders apart from their peers. The ability of a leader to regulate their emotions, as well as monitor the emotions of the people around them, can also lead to leadership effectiveness in conjunction with a transformational leadership style (Hur, van den Berg, & Wilderom, 2011).

Research on leadership and emotional intelligence supports the necessity for leaders to develop this ability. Hur et al. (2011) addressed the topic of emotional intelligence, transformational leadership, and team outcomes by conducting a study of 859 employees who were employed by a public sector organization in South Korea. The study sought to discover the connection between leadership skills and emotional intelligence to determine how these factors impacted leadership effectiveness, team effectiveness, and the service climate of an organization. The findings revealed that transformational leadership mediates emotional intelligence and leader effectiveness. Therefore, leaders with high emotional intelligence have a greater propensity to becoming a transformational leader. Additional research on leadership and emotional intelligence, including a representative sample of multiple companies, would add to this research.

Emotional intelligence has also been studied in entrepreneurial contexts. Yitshaki (2012) conducted a study to discover the connection between emotional intelligence and transformational leadership behaviors to firm growth. The participants represented 99 entrepreneurial firms. The findings correlated emotional intelligence with the intellectual

stimulation and individualized consideration aspects of transformational leadership theory. However, the charismatic-inspirational behaviors of transformational leadership were the only construct that directly impacted firm growth in this study. These findings represent an initial correlation between emotional intelligence of entrepreneurs and transformational leadership behaviors in emotional intelligence research.

A meta-analysis of studies on emotional intelligence and transformational leadership proposed a more moderate relationship between emotional intelligence and transformational leadership after assessing data collection methods and assessment tools (Harms & Credé, 2010). Since studies have not consistently used the same assessment tools to evaluate emotional intelligence, a multi-method framework would provide clarity to inconsistencies in this area of research. Implying that emotional intelligence is at the core of a transformational leadership style may not reflect the actual research; however, evidence exists for the effect of emotional intelligence when examining the inspirational motivation and individualized consideration components of the transformational leadership style (Palmer, Walls, Burgess, & Stough, 2001). Emotional intelligence and its relationship with leadership is a more recent area of research that has developed over the past 30 years, and continued research is warranted to better understand how leaders can use emotional intelligence in various contexts.

Organizational innovation. Innovation and creativity are no longer optional characteristics of leadership within an organization. Innovation can be defined "as the introduction of new and beneficial ideas, process or products" (Li, Mitchell, & Boyle, 2016, p. 67), and creativity is at the core of innovation. Previous research indicates that leadership is one of the most influential factors impacting employee creativity and performance (Jung, Chow, & Wu, 2003; Mumford, Scott, Gaddis, & Strange, 2002). Examining how employee creativity can

be maximized through specific leadership behaviors can provide insight into developing organizational cultures with high levels of employee creativity and innovation. Jung et al. (2003) studied the impact of transformational leadership on innovation in 32 electronics/ telecommunications companies. A finding from this study indicated that transformational leadership behaviors are positivity related to support for innovation. This finding is significant in that organizations can train managers and leaders to become transformational leaders in order to stimulate an organizational culture open to creativity and innovation. Innovative organizations need leaders that can define parameters, while guiding others through ambiguity, in order to balance producing and exploring (Mumford et al., 2002). The study of transformational leadership that inspires and empowers others has resulted in increased popularity in current research on innovation and creativity (Gong, Huang, & Farh, 2009; Jung et al., 2003; Li et al., 2016; Mumford et al., 2002).

Li et al. (2016) studied the impact of group-level transformational leadership behaviors on group innovation. Group-level transformational leadership behaviors were positively correlated with group innovation, but it had an inverse effect on individual innovation. Differentiating group-level and individual-level transformational leadership behaviors also take context into consideration instead of defining a leadership style as static. Studies related to transformational leadership have resulted in positive correlations between employee performance and specific leadership behaviors (Gong et al., 2009). However, the relationship between transformational leadership, creativity, and a learning orientation has shown weak correlations in previous studies. Cultivating employee creativity and assessing its impact on performance requires a long-term evaluation. Gong et al. provided evidence indicating a positive relationship between transformational leadership behaviors, employee creativity, and self-efficacy as a

mediator. These researchers concluded that a high learning orientation would help promote employee creativity, and transformational leadership would enhance this creativity through interactions with subordinates over an extended period of time. Creating an organizational culture that values creativity and innovation can be reinforced by transformational leadership behaviors.

Research about leadership and its relationship to creativity and innovation continues to expand in support of leadership positively affecting innovation (Mumford et al., 2002). Studies have also shown creativity and innovation's positive effect on organizational performance, while limitations in studies still exist in comparing leadership of creative people in "cross-field content differences" (p. 736). Expanding research to explore different leadership styles' effect on innovation and how the leadership of creative people differs by industry could broaden this area of inquiry.

Performance. Employee and organizational performance are outcomes influenced by organizational practices. Current research related to transformational and transactional leadership suggests that organizational performance and the leader/follower relationship are two distinct outcomes of these leadership styles (Quintana, Park, & Cabrera, 2015). The contextual variables such as the industry, size of the organization, and organizational structure can impact the relationship between leadership styles and performance (Rowold & Heinitiz, 2007). Performance measures such as productivity, revenue, profit, or return on investment are measures that can be used to indicate how leadership styles impact organizational outcomes. Distinguishing between the unique constructs of transactional and transformational leadership is also required to research them as independent or interdependent leadership styles. Rowold and Heinitz (2007) studied 220 employees at a public transport company in Germany to determine

how transactional, transformational, and charismatic leadership styles were related to employee performance and profit. This study was significant to the research on transformational leadership, as charismatic leadership was not studied as a part of transformational leadership. Charismatic leadership was studied using the Conger–Kanungo Scales, which identifies the components of charismatic leadership as sensitive to the environment, sensitive to members' needs, strategic vision and articulation, personal risk, and unconventional behavior. Individualized consideration, individualized influence attributed and behavior, intellectual stimulation, and individualized consideration were the components of transformational leadership explored in this study. The findings from their study indicated that transformational leadership strengthened the impact of charismatic and transactional leadership on profit.

The organizational context has also been deemed an important factor in evaluating the effect of transformational leadership behaviors. Uncertain environments, such as organizational change, mergers, or acquisitions, have received limited attention in leadership research. Nemanich and Keller (2007) sought to address this gap in leadership literature by studying the effect of transformational leadership behaviors using the mediating mechanisms of goal clarity and support for creative thinking to determine its impact on employees who experienced an organizational merger. The performance was evaluated in terms of employee output, given the negative impact organizational uncertainty can have on output. Transformational leadership was positively associated with job satisfaction and employee output, indicating that transformational leadership behaviors can minimize the potential negative productivity effects resulting from a changing environment. As evident in this study, continued research of transformational leadership, performance, and other mediating variables will clarify the relationship between

performance and leadership. Nevertheless, transformational leadership's effect on productivity and performance is noteworthy in training and developing business leaders.

Entrepreneurial Leadership Style

Some scholars have posited that entrepreneurial leadership research lacks clarity and assessment tools (Harrison, Leitch, & McAdam, 2015). The literature related to entrepreneurial leadership has been examined using psychological and disciplinary research as a categorical divide between internally focused studies using a trait approach to theory development and externally focused studies based on observed behaviors in specific contexts. The past 20 years of research have presented inconsistencies in studying entrepreneurship as a subdomain of leadership and studying entrepreneurial leadership as one domain of an essential element of leadership literature. Some scholars propose entrepreneurial leadership to be studied as a leadership construct as part of the larger domain of leadership (Renko et al., 2015).

Entrepreneurial leadership research cannot solely look at traits and behaviors and ignore the context in order to have a holistic approach to research. The risk, uncertainty, and unique environmental constraints surround the context of entrepreneurship set it apart from other disciplines. However, Harrison et al. (2015) argue that leadership theories grounded in large corporate contexts should not be directly applied to entrepreneurial contexts. Entrepreneurial leadership theory within corporate contexts tends to address the issue of leading through change and innovation as an entrepreneurial orientation and its association with other leadership styles (Engelen et al., 2015; Todorovic & Schlosser, 2007). Some researchers have argued that entrepreneurial leadership is not solely limited to new small businesses, and it is a leadership style that can be used to turn around organizations (Renko et al., 2015). Therefore, the following review of studies on entrepreneurial leadership will examine it as a broad leadership style that

can be applied to a variety of domains such as entrepreneurial contexts, gender, organizational innovation, and performance to identify gaps in the literature for future inquiry.

Entrepreneurial contexts. Influences impacting entrepreneurs exhibiting an entrepreneurial leadership style are human capital, organizational stakeholders, industry, nature of competition, and customer relationships (Jones & Crompton, 2009). The size of the organization also impacts entrepreneurs' direct influence on employees and organizational outcomes. Jones and Crompton examined these factors by taking a sample of eight manufacturing owner-managers out of a larger study of 90 small- to medium-sized enterprises (SMEs) in various industries. These owner-managers heavily influenced the daily activities of the organization and exhibited a leadership style focusing on developing the business. However, contradictory findings have suggested that the leadership styles of entrepreneurs and managers differ, presenting a need to further delineate between founders, business owners, and business managers (Ardichvili, 2001). The research on entrepreneurs leading SMEs also shows the development of leadership style based on organizational and environmental constraints (Kempster & Cope, 2010). However, an emphasis on qualitative, exploratory studies of SMEs presents an opportunity for leadership within an entrepreneurial context to be further explored using other methodologies.

Gender. Management and leadership theorists have also studied gender to ascertain its role in interpersonal relationships and the workplace (Powell, 1990). In translating current management and leadership theory to entrepreneurial leadership, gaps exist in the theoretical underpinnings in applying it to entrepreneurial leadership. Social constructivism and critical management studies, as a theoretical framework, can address how women in entrepreneurial

leadership affect society as a whole (Harrison et al., 2015). However, the lack of studies related to gender and the entrepreneurial leadership styles presents an opportunity for future research.

Yordanova and Tarrazon (2010) examined gender differences in entrepreneurial intentions and determined that gender did affect the pre-venture process and attitudes about entrepreneurship. Women had lower entrepreneurial intentions than men, yet the difference began to diminish if females had higher perceived behavioral control and a supportive network of people. While these researchers did not specifically study entrepreneurial leadership, it represents the gap in the literature on gender and entrepreneurial leadership.

Studies focusing on women entrepreneurs in international contexts provide the foundation for future research addressing gender differences. In studying the leadership styles of Chinese women entrepreneurs, Li, Bao, and Jiang (2013) discovered that the majority of the women demonstrated an achievement-oriented leadership style, which is inconsistent with previous literature on women in Chinese culture. Chinese women tend to demonstrate supportive leadership behaviors that have been deemed feminine in comparison to more masculine qualities, such as boldness and independence. This change in gender roles in Chinese women entrepreneurs reveals that context impacts the way in which women operate in business, even if it is contrary to cultural norms. However, one cultural setting cannot be used as the standard for evaluating women's leadership as entrepreneurs.

A qualitative study of 35 women entrepreneurs in Kenya, Mexico, Nigeria, and the United States of America endeavored to show the correlation between entrepreneurial leadership and cognitive ambidexterity in women entrepreneurs (Onyemah, & Pesquera, 2015). Cognitive ambidexterity has two dimensions of prediction and creation logic, which was applied to finding new customers in the study by Onyemah and Pesquera. Prediction logic results in using the past

as a standard for future engagement; however, creation logic is employed when the future is uncertain, unknown, or different than past experiences. Women entrepreneurs in emerging economies using creation logic in comparison to entrepreneurs in developed countries used both creation and prediction logic to obtain customers. Cultural constraints and changing dynamics within the marketplace could account for these differences. Even so, this study developed an additional area within entrepreneurial leadership and gender studies to be further examined. Finally, the age of women engaging in new ventures can impact their entrepreneurial leadership, as well. An exploratory, qualitative study of 18 young women entrepreneurs revealed the gender and age obstacles in certain industries can present challenges for these new entrepreneurs (McGowan, Cooper, Durkin, & O'Kane, 2015). However, human capital identified in the entrepreneurs' own work experiences and education were key variables in their success as emerging entrepreneurial leaders.

Gender studies using the entrepreneurial leadership style tend to focus on women entrepreneurs instead of studying gender differences in leadership in an entrepreneurial context. Examining how this context affects men and women's leadership styles would add to the current literature on gender and leadership. However, the more recent focus of inquiry on the entrepreneurial leadership style explains this gap in gender studies and provides a foundation and framework for future research.

Organizational innovation. The previous discussion of leadership's effect on innovation and creativity can also be applied to a variety of leadership constructs. However, a new venture requires a different level of innovation and creativity to be exhibited by the entrepreneur in order to establish the organization (Chen, 2007). Research that examined entrepreneurial leadership's effect on team creativity within Taiwanese business incubators

supported entrepreneurial leadership's positive relationship with team creativity. Team creativity moderated the relationship between the entrepreneur's leadership style and innovation. It is unclear how venture funding mediates the relationship between entrepreneurial leadership and innovation, as the Taiwanese government funded the business incubators providing start-up funding for these new high-tech ventures. Funding and the industry could have directly impacted the innovation within the high-tech firms, making the findings not transferrable to other industries lacking innovative practices.

Furthermore, leadership, innovation, and entrepreneurship have been studied simultaneously where the role of manager and entrepreneur were not delineated as separate functions (De Jong & Den Hartog, 2007). Some of the behaviors associated with innovation include intellectual stimulation, providing vision, modeling, providing support for innovation, and feedback. These behaviors have also been linked with entrepreneurial leadership behaviors and transformational leadership behaviors. Current research related to innovation and the entrepreneurial leadership style is certainly limited, requiring a research agenda to be developed by scholars in those fields of study.

Performance. Recent attention focused on entrepreneurial leadership research has provided limited research investigating how entrepreneurial leadership as a distinct leadership style affects organizational performance. Leadership behaviors have a positive relationship with organizational outcomes, but other leadership styles have predominately been the focus of research in this area (Dvir, Eden, Avolio, & Shamir, 2002). Examining studies on entrepreneurial orientation can give insight in that entrepreneurial behaviors positively impact performance (Engelen et al., 2015). Studies on entrepreneurial orientation, leadership, and performance indicate a positive relationship between these variables. However, the

entrepreneurial leadership style is not the same as an entrepreneurial orientation adopted by an organization, and limited research on this leadership style and performance from a leadership perspective provides an area of future inquiry for researchers.

Research related to CEO charismatic leadership behaviors and its positive relationship to performance in unstable environments gives a preliminary understanding of how the entrepreneurial leadership style may positively impact a firm's performance (Waldman et al., 2001). Hmieleski and Ensley (2007) studied how entrepreneurial leadership behaviors, in conjunction with the top management team (TMT) heterogeneity and industry environmental dynamism, affected new venture performance. Industry environmental dynamism took into account the degree of change within the industries of the participants. In high industry environmental dynamism, entrepreneurs with directive leadership behaviors were positively related to firm performance and TMT heterogeneity in comparison to empowering leadership, which had a positive relationship with homogenous TMTs. Entrepreneurial leadership tends to be more dynamic than other leadership styles, as changing and unstable environments perpetuate the need for leaders to respond quickly in making decisions.

Performance metrics could also be interpreted as employee performance or development. Human capital development by means of entrepreneurial leadership impacts global competitiveness. In multinational companies, international human capital management practices, defined as global selection, human capital investment, global leadership development, and normative integration, mediate the relationship between global competitiveness and entrepreneurial leadership (Ling & Jaw, 2011).

Finally, Baum, Locke, and Kirkpatrick (1998) explored the impact of vision and communicating vision by entrepreneurs on their respective firm's performance. Vision has been

associated with charismatic, transformational, and entrepreneurial leadership styles. Effectively communicating vision in spoken and written communication has positive effects on new venture growth (Baum et al., 1998). As evident from this study, studying entrepreneurial leadership and performance and other mediating variables would bring insight to the relationship between performance and this leadership style as a distinct style in leadership research.

Conclusion

Research that examines leadership styles has largely focused on transformational leadership and its relationship to entrepreneurial orientation, gender, emotional intelligence, innovation, and performance. Studying leadership styles within various contexts is more limited, and new leadership styles are emerging. The entrepreneurial leadership style represents a more recent development in leadership studies, and it has gained recognition because of its overlap in behavioral characteristics to transformational leadership while operating within changing or uncertain environments. The entrepreneurial leadership style has yet to be studied in depth using the same variables, such as entrepreneurial orientation, gender, emotional intelligence, innovation, and performance (Renko et al., 2015). Additional research is needed to understand how context impacts leadership style, as well as the relationship between transformational leadership, transactional leadership, or laissez-faire leadership and the entrepreneurial leadership style. Discovering the relationship between these leadership styles will result in a significant contribution to the leadership literature through developing a new understanding of how the combination of leadership styles can facilitate organizational performance. Examining leaders' positional and organizational contexts could also provide insight into the transferability of leadership styles to different environments, as well as how leadership style impacts entrepreneurial organizations while navigating through environmental uncertainty.

Organizational competitiveness is an essential component of modern businesses. Organizations continue to focus on increased performance and productivity, as it affects profitability. Businesses no longer have the luxury of relying on mediocre leaders to move their organization forward and increase profitability. Previous evidence of leadership's relationship with employee and organizational performance reinforces that the leadership styles of executives cannot be overlooked by their organizations, as they confront change, manage employees, and maintain a competitive advantage.

Leadership's Impact on Business Performance

Leadership is related to performance (Dvir et al., 2002; Engelen et al., 2015; Hmieleski & Ensley, 2007; Rowold & Heinitiz, 2007). Idris and Ali (2008) also confirmed this assertion by studying the impact of best practice management as a mediating variable between leadership style and performance. However, in examining CEO and performance relationships, research on founder- and non-founder-owner impact on performance has been inconclusive (Daily & Dalton, 1992; Jayaraman, Khorana, Nelling, & Covin, 2000). Founder CEOs may function more like entrepreneurs and nonfounder CEOs may have a more distinct managerial style (Daily & Dalton, 1992). Research focusing on founder characteristics has also resulted in an incomplete understanding of which characteristics make a difference within the founder's human capital and previous experience to start and sustain a successful venture (Sapienza & Grimm, 1997; Westhead, 1995). Furthermore, Jayaraman, Khorana, Nelling, and Covin (2000) conducted a study of founder and nonfounder CEOs and their findings indicated that the age and size of the organization mediated the effects of founder management. Owner-founders had a greater impact on the stock performance of younger businesses in comparison to older, more developed

organizations. Therefore, an entrepreneur's duration at a business could impact business performance.

Understanding the leadership styles of entrepreneurs that help sustain an organization is another lens through which to understand business life cycles and entrepreneurial endeavors. A transition between leadership styles may be required to create business growth for an organization in operation for over five years (Swiercz & Lydon, 2002). Examining the relationship between performance and leadership styles changes the focus from unchangeable characteristics of a founder to a set of leadership skills that could be honed and developed. Therefore, leadership styles provide a more robust framework through which to understand this relationship between leadership and performance. Swiercz and Lydon (2002) identified a gap in the research on how an entrepreneurial CEO transitions their leadership competencies to move an organization from start-up to a sustained venture. Leadership style may impact business failure rates in that entrepreneurs do not have the leadership skills needed to move from founder to managing executive. Examining how leadership skills of entrepreneurs after the initial five years of operation could give insight into how to create a sustainable company in order to decrease the new business failure rate. Furthermore, founder CEOs' with transformational leadership behaviors had a greater impact on firm performance than nonfounder CEOs (Ling et al., 2008a). Additionally, Ling et al. found that CEOs with longer tenures were more effective in leading in small to medium enterprises (SME) in using a transformational leadership style. These data provide evidence for the effectiveness of transformational leader CEOs, but their study did not examine the impact of entrepreneurial leadership within the SME context. Additional research is needed to clarify the relationship between performance and leadership styles.

Theoretical Framework

This review of literature points to key theoretical constructs on which to examine leadership styles and business performance. The theoretical framework for this study is based on transformational, transactional, and laissez-faire leadership styles from the Full Range Leadership Model and the entrepreneurial leadership style. These theories provide the basis for the conceptual framework of using leadership theories, entrepreneurship theory, and upper echelons theory as a lens through which to examine leadership within entrepreneurial contexts. The upper echelons theory should be extended to research on leadership styles, as personal qualities have correlated with firm outcomes (Waldman et al., 2001). This theory posits that leadership impacts firm outcomes. Furthermore, examining leadership styles of entrepreneurs builds on previous literature about how environmental uncertainty moderates the relationship between leadership and performance. Therefore, grounding this study in strategic management, leadership, and entrepreneurship theory gives a basis for understanding how specific styles of leadership can impact organizational outcomes in the 21st century.

Conclusion

The literature indicates that leadership will remain a primary area of research in understanding how executives in organizations impact organizational outcomes. Moderating variables, such as emotional intelligence, innovation, and organizational contexts, provide a more distinct picture of how leaders can use leadership styles as a pathway for organizational growth. Leadership research has largely focused on large organizations, providing limited understanding to how leadership in start-up organizations and SMEs impact firm outcomes. Most organizations start as a small business with less than 500 employees. Research on leadership within entrepreneurial organizations is burgeoning, as small businesses comprise

99.7% of U.S. employer firms (U.S. Small Business Administration, 2012). Discounting this sect within business and leadership research provides an insufficient view of leadership in a changing business environment.

Leadership styles have been positively correlated with business success; however, understanding how the age of the business impacts the leadership styles of entrepreneurs could also provide insight. This current study will fill a gap in the current literature by addressing the leadership styles of transformational, transactional, and laissez-faire leadership in combination with the entrepreneurial leadership style, while examining firm characteristics as moderating variables between leadership style and performance. Chapter III describes the methods and measures to be used in this research study.

CHAPTER III

METHODS AND PROCEDURES

The purpose of this study is to describe the leadership styles of entrepreneurs who operate successful businesses as determined by the success factors of business longevity, profitability, and number of employees. Specifically, this study will investigate the combination of leadership styles to ascertain the styles most frequently correlated with the building, growing, and sustaining of a business. A review of the literature exposed a gap in the research related to the leadership styles of entrepreneurs. Research related to the relationship between leadership styles from the Full Range Leadership Model, including the transformational, transactional, and laissez-faire leadership, and the entrepreneurial leadership style in entrepreneurial organizations is limited. This chapter includes sections on research design, research variables, participants, measures, procedures, and data analysis.

Research Design

This study will include a descriptive research methodology by employing a survey data gathering technique. Survey research is an appropriate design when describing "the attitudes, opinions, behaviors, or characteristics of the population" (Creswell, 2012, p. 376). This research design has often been used in social science research. For this study, a cross-sectional survey design will be used to gather data to "examine current attitudes, beliefs, opinions, or practices" (p. 377). Participants will identify characteristics of their leadership styles and provide demographic information by answering survey questions. Additional data analysis will employ quasi-experimental research measures to determine the degree of association between variables (Creswell), and data collected from the survey will be used to measure the relationships between variables in the data analysis. Survey research coincides with descriptive research designs,

which align with the statistical analysis to be used to treat data collected for this study. Further analyses will include chi-square and MANOVA. In this study, the main research questions to be explored include the following questions:

RQ_1: Which of the Full Range Leadership Model leadership styles is dominant of entrepreneurs who sustain organizations?

RQ_2: Which of the Full Range Leadership Model leadership styles is more prevalent in the identification of leaders who also exhibit an entrepreneurial leadership style?

RQ_3: How do leaders with various combinations of leadership styles relate to the variables of gender, education, industry type, and role in business?

RQ_4: How do various combinations of leadership styles, gender, education, industry type, and role in business relate to the success factors of years of operation, profitability, and the difference in the number of employees?

These research questions will guide the process of defining the independent and dependent variables, measures, data collection procedures, and data analysis. Further statistics will be used to see if there are relationships between the leadership styles and other variables.

Research Variables

Weiner and Mahoney (1981) proposed that business performance could be studied as profit, profitability, or stock prices as performance metrics. The profit metric creates a challenge in comparing organizations of various sizes, considering that profit is relative to the revenue of the organization. However, business profitability is calculated by comparing profits to organizational assets, and it is stated as a percentage. Profitability has been deemed a preferred method of comparison for organizations instead of profit. Finally, stock prices are available for publicly traded companies. Considering that the majority of organizations in this study will be

privately held, this metric will not be available for these businesses. In analyzing small firm performance, the change in the number of employees has also been used as a performance metric (Runyan, Droge, & Swinney, 2008). Profitability and the change in the number of employees will be used as measures of performance in this study.

Business longevity has been defined as sustaining a business for a period of time. Previous research on business longevity determinants indicated that entrepreneurs with college degrees and beyond, as well as financial inputs at start-up, were more likely to create organizations that prevailed (Bates, 1990). However, the age of the entrepreneur also impacted business longevity. Bates indicated that entrepreneurs over 55 years old were more likely to have a business that did not exist for a long period of time (Bates, 1990). In this study, demographic and business information, including gender (Eagly, Johannesen-Schmidt, & van Engen, 2003; Eagly & Johnson, 1990), education level (Bates, 1990), industry type (Rowold & Heinitiz, 2007), years of operation (Bates, 1990), the number of employees at current organization (Rowold & Heinitiz, 2007), current role in business (Drucker, 2002; Ling et al., 2008b; Ucbasaran et al., 2003), and profitability (Waldman et al., 2001), will be variables. Business longevity will be explored by examining the years in operation for each business represented by each participant. The success factors included in this study are profitability, business longevity, and the change in number of employees. Success factors, as defined for this study, were coined based on the literature.

Data for the education level of entrepreneurs will also be collected to further understand the relationship between education and leadership styles. Inspirational motivation, idealized influence (attributed), idealized influence (behavior), intellectual stimulation, individualized consideration, contingent reward, and management-by-exception (active), management-by-

exception (passive), and laissez-faire will be the independent variables in RQ_1. Leadership styles, including transformational, transactional, and laissez-faire leadership styles from the Full Range Leadership Model, will be the dependent variables in RQ_1. The transformational, transactional, and laissez-faire leadership styles from the Full Range Leadership Model will be the independent variables in RQ_2. The entrepreneurial leadership style or non-entrepreneurial leadership style will be the dependent variable in RQ_2. The combination of leadership styles will be the independent variables in RQ_3. Gender, education level, industry type, and role in business will be the dependent variables in RQ_3. The combination of leadership styles, gender, education level, industry type, and role in business will be the independent variables in RQ_4. Success factors including years of operation, the change in number of employees since founding, and profitability, will be the dependent variables in RQ_4. Table 1 lists the variables that correspond with each research question.

Table 1

Research Questions and Variables

Research Questions	Independent Variables	Dependent Variables
RQ_1	Inspirational motivation, idealized influence (attributed), idealized influence (behavior), intellectual stimulation, individualized consideration, contingent reward, and management-by-exception (active), management-by-exception (passive), and laissez-faire	Transformational, transactional, and laissez-faire leadership styles
RQ_2	Transformational, transactional, and laissez-faire leadership	Entrepreneurial leadership style and non-entrepreneurial leadership style
RQ_3	Combination of the dominate leadership style and entrepreneurial leadership style	Gender, education level, industry type, and role in business
RQ_4	Gender, education level, industry type, role in business, and combination of leadership styles	Years of operation, the change in number of employees since founding, and profitability

Participants

A homogenous sample of entrepreneurs will be selected for this study using purposive sampling. Purposive sampling selects people to participate in research based on a particular purpose (Leedy & Ormord, 2013). Purposive sampling differs from random sampling in that the entire population is not contacted. Businesses within the sample will initially be contacted using business directories maintained by local Chamber of Commerce organizations and/or businesses that are subscribers of a local business journal. The population for this study will be entrepreneurs who are business owners whose organizations operate in the broader metropolitan service area of a city with a population less than 500,000 people in the Midwestern United States. This region is primarily characterized by small- to medium-sized enterprises (SME) with 95% of businesses operating their organization with less than 50 employees (Springfield Regional Economic Partnership, 2016), and the total commerce annually in the area is $34 billion dollars (United States Census Bureau, 2015). Additionally, over one million people in surrounding counties experience the economic influence of the economic activity in the metropolitan service area (Springfield Regional Economic Partnership, 2016). The metropolitan service area includes 40,357 businesses with 52.65% of businesses being male-owned (United States Census Bureau, 2015). The area has experienced a 1.6% annual growth rate in population (Springfield Regional Economic Partnership, 2016). In comparison to 2012 data, the number of businesses in the area decreased by 3.47% from 2007 (United States Census Bureau, 2015). Therefore, the national recession in 2008 may have had an impact on area businesses.

Given the significant presence of SMEs, the metropolitan service area in this study may be representative of the national data on the majority of businesses in the United States being small businesses with less than 500 employees. Therefore, using this population for the sample

may increase the generalizability of the findings. The sample will be initially divided into entrepreneur and non-entrepreneur categories based on the response to the role held by the participant (CEO/President, Owner-founder, Owner-buyer, and Other). The role held by the participant in the organization will be identified in the demographic information on the survey. This subsample addresses the research questions. Furthermore, participants' number of years of business operations will be accounted for in the data analysis process.

The researcher for this study obtained approval from the Institutional Review Board (IRB) in order to protect participants. The number of businesses operating in the greater metropolitan service area included in this study is 40,357, which represents the population for this study (United States Census Bureau, 2015). From this population, purposive sampling will be used as the sampling strategy, since all area businesses will not be contacted. Purposive sampling is also appropriate to answer the research questions because entrepreneurs within the constraints of the population for this study are representative of typical entrepreneurs (Leedy & Ormrod, 2013). The number of participants required for a statistically significant sample, based on the projected size of the qualified population, is 381 (Krejcie & Morgan, 1970). Participants will be initially contacted through the local area Chamber of Commerce organizations using business lists maintained by these organizations. Businesses that are subscribers to the area business journal will also be invited to participate in this study. These groups are estimated to have 9,000 to 10,000 area businesses. Chamber of Commerce events, website postings, email, mail, phone, and in-person contact will be the means of contacting the participants. Results are reported in aggregate, and data will be stored on a password-protected computer to ensure the protection of the participants. Subjects will be voluntary participants and will not receive

compensation for participation in this study. Threats to external validity will be addressed in the selection of participants.

Measures

The designated research design results in the use of a three subpart survey. The first subpart of the survey will collect demographic information. The second and third subparts of the survey will use the *Multifactor Leadership Questionnaire* (MLQ) (Bass & Avolio, 1990) and the ENTRELEAD scale (Renko et al., 2015). Initial procurement of licenses for the MLQ and permission from the researchers who developed the ENTRELEAD scale was obtained. Dividing the survey into three parts facilitates addressing all four research questions. Validity and reliability will be increased by the instrument selection and research studies that tested the instruments for reliability and validity (Antonakis, Avolio, & Sivasubramaniam, 2003; Avolio & Bass, 2004; Heinitz et al., 2005; Muenjohn & Armstrong, 2008; Renko et al., 2015).

The first part of the survey will collect information on (a) gender, (b) education level, (c) industry type, (d) years of operation, (e) number of employees at a current organization, (f) current role in business, and (g) profitability. Gender categories will include (a) male, (b) female, or (c) do not elect to report. Education level will be designated by the following categories on the survey: (a) no diploma; (b) high school diploma or equivalency; (c) associate degree, junior college, or trade school; (d) bachelor's degree; (e) master's degree; (f) doctoral or professional degree; or (e) do not elect to report. Industry will be categorized using the North American Industry Classification System (NAICS), including (a) manufacturing, (b) wholesale trades, (c) retail trades, (d) information trades, (e) real estate, (f) profession and/or technical services, (g) administrative and/or support services, (h) educational services, (i) healthcare and/or social services, (j) arts and/or recreation, (k) accommodations, or (l) other. Participants will

numerically identify years of operation and the number of employees at the current organization. The participants' current roles in their businesses will be designated by the following categories on the survey: (a) CEO/President, (b) Owner-founder, (c) Owner-buyer, or (d) Other. Profitability will be reported as a percentage based on the profit margin divided by revenue for the past year of business operations, as well as the cumulative percentage of profitability over the past five years.

This study will use the *Multifactor Leadership Questionnaire* (MLQ) to assess differences in transformational, transactional, and laissez-faire leadership styles (Bass & Avolio, 1990). Bass originally developed this instrument, and it was based on qualitative interviews with 70 executives in South Africa (Bass & Avolio, 2004). It assesses transformational leadership, transactional leadership, and laissez-faire (passive/avoidant) leadership styles. Multiple revisions have resulted in improving the instrument. The purpose of the MLQ is to differentiate between effective and ineffective leaders by classifying leaders under specific leadership styles and to understand how varying leadership behaviors affect employee satisfaction, effectiveness, and organizational performance. MLQ Form 5X was tested for reliability and validity by Bass and Avolio (2004). Their findings suggested that using self-reported data from the MLQ does not mitigate reliability. The self-reported data from participants in this study is supported by the research of Bass and Avolio. Using standardization of the instrument employed in this study will increase the reliability of this study. The internal reliability of the MLQ was assessed using Cronbach's alpha, which resulted in .85 and .86 for goal orientation and passive-avoidant leadership, respectively (Heinitz et al., 2005). The construct validity of the MLQ is -.53 for passive-avoidant leadership and .20 for management by exception. Antonakis, Avolio, and Sivasubramaniam (2003) assessed the validity of the MLQ Form 5X-Short through a

confirmatory factor analysis to test the validity within a large homogeneous sample. The sample included a homogenous sample of business professionals (n = 3,368). The comparison of men and women in the sample supported construct reliability. Additionally, construct validity was examined in large and small samples (Muenjohn & Armstrong, 2008).

For this study, a modified MLQ Form 5X-Short will be used, as it details adequate information to answer the research questions concerning transformational, transactional, and laissez-faire leadership styles. This study will use the data from the transformational, transactional, and laissez-faire leadership style scores. Questions 1 through 45 on the survey under the Leadership Styles heading in Appendix A correspond with the MLQ. Participants will complete this portion of the survey and results will be analyzed to determine their leadership style according to the MLQ.

In selecting this instrument, criticism of the MLQ has implied that the leadership dimensions within the Full Range Leadership Model are not distinct measures of the constructs. The Full Range Leadership Model, which correlates with the MLQ, was based on interrelationships between individualized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Therefore, the interrelationships between the constructs in the MLQ support the overlap of leadership behaviors and characteristics within transformational leadership. Inconsistencies in the multidimensionality may occur when using a non-homogenous sample with the MLQ to assess leadership dimensions (Antonakis et al., 2003). Antonakis et al. supported maintaining the distinct constructs within the MLQ when context is part of the model using a homogenous sample. A study by Muenjohn and Armstrong (2008) supported the concept that these leadership constructs are distinct and confirmed construct validity in a smaller sample.

The final part of the survey will use the ENTRELEAD scale (Renko et al., 2015). The ENTRELEAD scale measures entrepreneurial leadership behaviors. Questions 46 through 53 on the survey under the Leadership Styles heading in Appendix A correspond with the ENTRELEAD scale. This survey was developed from an empirical study where 63 characteristics of entrepreneurship were selected. An expert panel screened the characteristics to reduce it to 20 items. A principal component analysis reduced the set further to eliminate overlap between constructs. Exploratory factor analysis and Cronbach's alpha were used to assess the reliability of the scale. Cronbach's alpha was 0.9, which indicated internal consistency. A follow-up study with eight constructs using exploratory factor analyses supported the validity of the scale. The ENTRELEAD scale resulted in eight constructs that correspond with entrepreneurial leadership behaviors. The ENTRELEAD scale was compared to entrepreneurial orientation, Supervisor Creativity-Supportive Behavior Scale, and a transformational leadership scale to assess discriminant validity. The role model construct in the entrepreneurial orientation and Supervisor Creativity-Supportive Behavior Scale were the only overlap with entrepreneurial leadership in the analysis of these two scales. This finding supports the validity of the ENTRELEAD scale, as role modeling is part of the entrepreneurial leadership style. Overlap with the intellectual stimulation aspect of transformational leadership was also an indicator that this leadership scale assessed common leadership behaviors of leaders. Research by Renko et al. (2015) also supported that founder-leaders exhibited more entrepreneurial leadership behaviors than non-founder leaders, which supported previous research on founder influences on an organization and confirmed construct validity.

The purpose of the ENTRELEAD scale is to identify the extent to which perceived entrepreneurial leadership behavior is exhibited in the workplace (Renko et al., 2015). This scale

was modified for this study with the permission of the original researchers who developed the scale to obtain self-reported data from participants using a five-point Likert-type scale. In conversation with the scale developer, either a five-point or seven-point Likert-type scale was considered appropriate (M. Renko, personal communication, January 7, 2017). Appendix A details the questions included in the survey.

Procedures

Data will be collected using the component instruments described. A pilot study of five entrepreneurs was used to determine if the survey had validity for its purpose (Leedy & Ormrod, 2013). Five entrepreneurs, who had businesses that operated in the greater metropolitan service area of the designated city and known by the researcher, were selected for this pilot study in January 2017. They were asked to complete the survey and provide feedback regarding the clarity of the questions, ease of completing the survey, and feedback on additional questions that should be asked of participants, as listed in Appendix B. The feedback from the pilot survey resulted in the need to clarify the questions regarding profitability on the survey. Three of the five participants made recommendations to clarify the questions regarding profitability. The revisions to these questions on the survey are listed below.

> Pilot Survey: Over the last year, how much has the company's profit increased?
>
> Revision: What is the percentage of profitability of the company this past year? (Best Estimate Appreciated)
>
> Pilot Survey: What is the company's cumulative percentage of profitability over the last five years?
>
> Revision: What is the company's cumulative percentage of profitability over the last five years? (If you had a 5% profit for each of the last five years, then the cumulative percentage of profit would be 25%. Best Estimate Appreciated)

For the online version of the survey, the key for the leadership styles section will be given multiple times to reduce the amount of scrolling on the screen. “You have now completed the survey. Please click submit to finalize your submission!” was added to the end of the online survey for clarification and direction. The paper survey will also include the key at the top of each page in the MLQ and ENTRELEAD subparts of the survey. The email address of each participant was also added for follow-up as needed to clarify responses and prevent the researcher from asking a survey completer to complete the survey again. The researcher will only have access to this information, and it will be held in confidence. After the data are collected, the email addresses will be replaced with numbers for data analysis. Question 30 in the leadership styles subpart of the survey also had a typo, so form was changed to from on the survey. This feedback was used to finalize the survey for this study.

The survey will then be administered to the population through several area Chamber of Commerce organizations within the metropolitan service area of the designated city. In addition, businesses that are subscribers to the major city’s business journal will also be invited individually by email, mail, or phone to participate in this study. This study will follow the recommended protocols of protecting human subjects to ensure data collected will remain protected and confidential. ID numbers will be substituted for email addresses in the data analysis. Participants will be informed about the details of the study, the purpose, and the reason for participating. Participants will be assured the confidentially of their submissions, and the cover letter (Appendix C) will reinforce that participation is voluntary. The risk of participation will be minimized through these steps. A unique ID number will be assigned to each respondent and will be used to keep data confidential.

Survey instructions will be standardized and presented to all participants before the completion of the survey. A multi-method delivery of the survey can increase the number of responses to a survey, and utilizing a multi-method delivery for survey research has been documented as increasing response rate (Creswell, 2012). The survey will be initially conducted online. Participants will be made aware of the nature of the study and review the cover letter to understand the voluntary nature of their participation in accordance with research standards for online surveys (Leedy & Ormrod, 2013). Follow-up mail surveys will be administered as needed. The results from the survey will be collected and held in confidence. To minimize threats to validity, participants will not be informed of the research questions for this study to avoid reactivity (Leedy & Ormrod, 2013). After the data are collected, statistical analyses will be used to treat the data.

Data Analysis

Data collected from participants will be analyzed based on entrepreneurs' identified position within their organization. Entrepreneurs will be grouped from the sample by the position held in the organization. Nominal data including gender, education, and industry will be coded and analyzed. To determine the change in the number of employees, the current number of employees will be subtracted from the founding number of employees. Mean, median, and standard deviation will be used to draw conclusions about the population. The results from the MLQ will be analyzed by identifying the averages of each component of transformational, transactional, and laissez-faire leadership from each respondent. The factors of transformational leadership in the MLQ are inspirational motivation, idealized influence (attributed), idealized influence (behavior), intellectual stimulation, and individualized consideration (Bass & Avolio, 2004). Inspirational motivation is measured by Questions 9, 13, 26, and 36 on the leadership

styles survey. Idealized influence (attributed) is measured by Questions 10, 18, 21, and 25 on the leadership styles survey. Idealized influence (behavior) is measured by Questions 6, 14, 23, and 34 on the leadership styles survey. Intellectual stimulation is measured by Questions 2, 8, 30, and 32 on the leadership styles survey. Individualized consideration is measured by Questions 15, 19, 29, and 31 on the leadership styles survey.

The MLQ also measures transactional leadership as contingent reward and management-by-exception (active). Contingent reward corresponds with Questions 1, 11, 16, and 35 on the leadership styles survey. Management-by-exception (active) corresponds with Questions 4, 22, 24, and 27 on the leadership styles survey. Additionally, the MLQ measures management-by-exception (passive) and laissez-faire leadership, which are considered to have negative impacts on organizational outcomes (Bass & Avolio, 2004). Management-by-exception (passive) corresponds with Questions 3, 12, 17, and 20 on the leadership styles survey. Laissez-faire leadership corresponds with Questions 5, 7, 28, and 33 on the leadership styles survey. The remaining questions on the survey measure extra effort, effectiveness, and leadership satisfaction. The score for each factor will be calculated by summing the responses from the corresponding questions and dividing by the number of items that make up that specific scale for each leadership factor. Questions 46 through 53 on the leadership styles survey correspond with the ENTRELEAD scale and summing the responses to those questions will result in the entrepreneurial leadership style outcome. The researcher selected to categorize the leadership styles scores from the participants for the entrepreneurial leadership style based on a score of 51% or higher as having an entrepreneurial leadership style after conversing with the developer of the ENTRELEAD scale (M. Renko, personal communication, January 7, 2017). Scores below this percentage will be categorized as a non-entrepreneurial leadership style.

Descriptive statistics will be used to understand the mean, median, and frequency of gender, education level, industry type, years of operation, the number of employees at current organization, and current role in business from data collected from the survey. Chi-square will be used to measure the relationship between the Full Range Leadership Model leadership styles, including transformational, transactional, and laissez-faire leadership, and an entrepreneurial leadership or non-entrepreneurial leadership style to determine which leadership style, as described by the Full Range Leadership Model, is more prevalent in the identification of leaders who also exhibit an entrepreneurial leadership style. Chi-square analysis will allow these categorical independent variables to be analyzed. Chi-square will also be used to test for the relationship between the categorical variables of education, industry, role in business, and gender and the combination of leadership styles. MANOVA will be used to examine the independent variables of gender, education level, industry type, current role in business, and combination of leadership styles with the dependent variables of years of operation, the change in number of employees since founding, and profitability to determine the mean differences between these independent and dependent variables. *F*-tests will be used to determine the statistical significance of the MANOVA. The following section details the research questions followed by an explanation of how the data will be collected and statistically treated.

RQ_1: Which of the Full Range Leadership Model leadership styles is dominant of entrepreneurs who sustain organizations?

Data will be collected from the survey using the MLQ Form 5X-Short to obtain data about transformational, transactional, and laissez-faire leadership styles from the participants. Data from the MLQ will be analyzed by summing the responses and dividing by the number of questions that correspond with transformational, transactional, and laissez-faire leadership styles.

This process will result in a score for these leadership styles for each participant. The cut scores for analyzing leaders that exhibit the specified leadership style will be based on the average score for each leadership style being compared to the 40th percentile or higher on the norms for self-reported data from the MLQ (Bass & Avolio, 2004). The mean, median, and standard deviation will be used to understand the frequency of these leadership styles exhibited by entrepreneurs.

RQ_2: Which of the Full Range Leadership Model leadership styles is more prevalent in the identification of leaders who also exhibit an entrepreneurial leadership style?

Data from the MLQ will be used to determine if each participant falls into the transformational, transactional, and laissez-faire leadership styles based on the leadership style scores. Data from the ENTRELEAD scale will be used to measure the entrepreneurial leadership style. Summing the responses from the participants that correspond with the ENTRELEAD scale will result in an entrepreneurial leadership style score. The leadership styles scores from the participants for the entrepreneurial leadership style will be categorized based on a score of 51% or higher as having an entrepreneurial leadership style. The researcher elected to use this percentage after conversing with the scale developer (M. Renko, personal communication, January 7, 2017). Transformational, transactional, and laissez-faire leadership will be compared to whether or not a participant also has an entrepreneurial leadership style or does not have an entrepreneurial leadership style. Chi-square will be used to treat these data to test for a difference between the independent variables of transformational, transactional, and laissez-faire leadership styles and the dependent variable of an entrepreneurial leadership style or non-entrepreneurial leadership style.

RQ_3: How do leaders with various combinations of leadership styles relate to the variables of gender, education, industry type, and role in business?

The results from the third research question will provide data to understand how leadership styles relate to the demographic questions. If insufficient data exists for any of the leadership styles, outliers will be removed from the data set. Data will be collected through the survey asking participants to identify their (a) gender, (b) education level, (c) industry type, and (d) current role in business. Chi-square will be used to test for the relationship between the independent variable of the combination of leadership styles with the dependent variables of education, industry, role in business, and gender.

> RQ_4: How do various combinations of leadership styles, gender, education, industry type, and role in business relate to the success factors of years of operation, profitability, and the difference in the number of employees?

Data will be collected through the survey asking participants to identify their (a) gender, (b) education level, (c) industry type, (d) years of operation, (e) the number of employees at the current organization, (f) current role in business, and (g) profitability. Descriptive statistics will be used to understand the characteristics of these data. The mean, median, and standard deviation will be used to treat these data. The covariates will be carried to the final analysis, as the variables were selected from the literature. MANOVA will be used to determine the mean difference in the combination of leadership styles, gender, education level, industry type, and role in business on the success factors including years of operation, current year profitability, profitability over five years, and the change in the number of employees since founding. Transformational and entrepreneurial leadership, transactional and entrepreneurial leadership, and laissez-faire and entrepreneurial leadership will represent the leadership styles in this MANOVA. Years of operation, profitability, and the change in the number of employees since founding will be the dependent variables for the MANOVA. Univariate ANOVAs will be used

as follow-up analyses for statistically significant independent variables. Post-hoc tests using Tukey's HSD will be used to understand the findings. Table 2 lists the statistics and variables used in the data analysis.

Table 2

Statistical Analysis and Variables

Statistics	Variables
Mean, Median, and Standard Deviation	Full Range Leadership Model styles including transformational, transactional, and laissez-faire leadership
	Gender, education level, industry type, years of operation, number of employees, role in business, and profitability
Chi-square	Full Range Leadership Model styles including transformational, transactional, and laissez-faire leadership
	Entrepreneurial leadership style and non-entrepreneurial leadership style
Chi-square	Transformational and entrepreneurial leadership style, transactional and entrepreneurial leadership style, laissez-faire and entrepreneurial leadership style
	Gender, education level, industry, and role in business
MANOVA	Transformational and entrepreneurial leadership style, transactional and entrepreneurial leadership style, laissez-faire and entrepreneurial leadership style; gender; education level; industry type; role in business
	Years of operation, the change in the number of employees since founding, and profitability

Descriptive and inferential statistics are appropriate statistical analyses to describe the data and sample and analyze the relationships between leadership styles and gender, education level, industry type, years of operation, the number of employees at current organization, current role in business, and profitability in entrepreneurial contexts (Leedy & Ormrod, 2013). Table 3 describes the research questions, scales, and statistics used to analyze these data.

Table 3

Data Analyses for Research Questions

Research Question	Instrument	Survey Questions	Statistics
RQ_1: What is the dominant leadership style of entrepreneurs in sustaining organizations?	MLQ Form 5X-Short, Survey Questions 1-45	Transformational Leadership: *a. Inspirational Motivation:* Questions 9, 13, 26, 36 *b. Idealized Influence (Attributed):* Questions 10, 18, 21, 25 *c. Idealized Influence (Behavior):* Questions 6, 14, 23, 34 *d. Intellectual Stimulation:* Questions 2, 8, 30, 32 *e. Individualized Consideration:* Questions 15, 19, 29, 31 Transactional Leadership: *a. Contingent Rewards:* Questions 1, 11, 16, 35 *b. Management by Exception (Active):* Questions 4, 22, 24, 27 Laissez-Faire Leadership: a. *Laissez-Faire*: Questions 5, 7, 28, and 33	Mean, median, frequency, and standard deviation
RQ_2: Which of the Full Range Leadership Model leadership styles is more prevalent in the identification of leaders who also exhibit an entrepreneurial leadership style?	MLQ Form 5X-Short ENTRELEAD scale	Transformational, transactional, and laissez-faire leadership styles compared to entrepreneurial leadership style or non-entrepreneurial leadership style	Chi-square
RQ_3: How do leaders with various combinations of leadership styles relate to the variables of gender, education, industry type, and role in business?	MLQ Form 5X-Short ENTRELEAD scale Demographic Questions	Dominate leadership style and entrepreneurial leadership style compared to gender, education level, industry type, and role in business	Chi-square
RQ_4: How do various combinations of leadership styles, gender, education, industry type, and role in business relate to the success factors of years of operation, profitability, and the difference in the number of employees?	MLQ Form 5X-Short ENTRELEAD scale Demographic Questions	Dominate leadership style and entrepreneurial leadership style, gender, education level, industry type, and role in business compared to years of operation, the change in number of employees since founding, and profitability questions on the leadership survey	MANOVA

Summary

The research design using a descriptive methodology employing survey research will facilitate the collection of data to answer questions concerning an effective leadership style of entrepreneurs. The quantitative research design also will facilitate multiple independent variables to be compared to the dependent variables. This study will also contribute new research to the literature addressing leadership styles of entrepreneurs. The participants will be entrepreneurs who operate their business within the metropolitan service area of the designated city in the Midwestern United States. The participants in this study will be representative of the group as a subsample of the sample. The instrumentation using the MLQ Form 5X-Short and the ENTRELEAD as validated instruments will strengthen this study. Obtaining descriptive research data, including demographics information, increases the variables in this study. Using a researched data collection methodology and data analysis will enhance reliability. Measures of central tendency, variability, chi-square, and MANOVA will be used to analyze the data. Chapter IV will describe the data collection and statistical analysis used to treat the data.

CHAPTER IV

FINDINGS

The problem of this study was to address a gap in the knowledge of transformational, transactional, and laissez-faire leadership styles in combination with the entrepreneurial leadership style leading to successful entrepreneurial organizations. To solve this problem, this study described the relationship between leadership styles of entrepreneurs as mediated by the variables of gender, education level, industry type, and role in business with the success factors of business longevity, profitability, and number of employees. This quantitative study was guided by four research questions.

RQ_1: Which of the Full Range Leadership Model leadership styles is dominant of entrepreneurs who sustain organizations?

RQ_2: Which of the Full Range Leadership Model leadership styles is more prevalent in the identification of leaders who also exhibit an entrepreneurial leadership style?

RQ_3: How do leaders with various combinations of leadership styles relate to the variables of gender, education, industry type, and role in business?

RQ_4: How do various combinations of leadership styles, gender, education, industry type, and role in business relate to the success factors of years of operation, profitability, and the difference in the number of employees?

Chapter IV addresses the results from this quantitative study. This chapter is divided into four subsections: (a) response rate for the population, (b) an explanation of the coding process for the data, (c) findings related to each research question, and (d) a summary of the findings.

Response Rate

The purpose of this study was to investigate the leadership styles of entrepreneurs who operate successful businesses. Using a survey, purposive sampling was used to contact organizations within the targeted population. The data collection resulted in 449 total responses. These data were reviewed, and 37 respondents did not meet the position requirement of being a company head. Additionally, seven respondents were outside the designated area for the study, and one respondent indicated that his/her organization was a non-profit organization. These respondents were discarded. Therefore, the resulting sample size was 404. Given the population of 40,357 businesses of all sizes within 50 miles of the metropolitan service area of the designated city (United States Census Bureau, 2015), 381 responses were required to achieve statistical significance at the $p = .05$ significance level (Krejcie & Morgan, 1970). Businesses were contacted via email, phone, and events. Approximately 3,400 businesses were contacted within the targeted population, resulting in a response rate of approximately 12%. The sample size met the criteria to provide statistically significant data.

Coding

Data were collected using electronic and paper surveys. The position held by the participant was categorized by CEO/President, owner-founder, owner-buyer, or other. The other category from the survey included ten participants who identified themselves simply as an owner, co-owner, or partner. Therefore, this category was relabeled as “owners” without the differentiation of owner-buyer or owner-founder. This category was included in the analysis of entrepreneurs. The age of the company was calculated by subtracting the founding date from the current year. Seven respondents included a range for the profitability questions, so an average was calculated to use one number in the data analyses. Additionally, nineteen respondents

indicated that there were zero employees at the start of the business, indicating that they did not include themselves in the count. Therefore, these 19 respondents had one added to the number of employees at the start of the business and the current number of employees for consistency. For the industry category, six respondents that marked the other category also included the type of business. These respondents were then categorized based on their business type. Respondents who marked the other category without including the business type were left unchanged. Nine respondents differentiated between full-time and part-time employees in their response. Only full-time employees were included in the analyses for these respondents. For the profitability questions, six respondents responded with zero for the percentage of profitability for the current year, and four respondents answered with a negative percentage for profitability for the current year. Three respondents responded with zero for the percentage of profitability over five years. Given that not all respondents answered the profitability questions, respondents who did not answer may have had a positive or negative percentage of profitability that they elected to not report.

Gender, industry, education level, and role held in the business were coded by the highest number of responses within each variable for the data analyses. Gender was coded at three levels, including male (1), female (2), and do not elect to report (3). Industry was coded at thirteen levels, including profession and/or technical services (1), other (2), retail trades (3), healthcare and/or social services (4), real estate (5), manufacturing (6), educational services (7), administrative and/or support services (8), wholesale trades (9), information trades (10), accommodations (11), arts and/or recreation (12), and combined retail trades & profession and/or technical services (13). Education level was coded at seven levels, including bachelor's degree (1); high school diploma or equivalency (2); associate degree, junior college, or trade school (3);

master's degree (4); doctoral or professional degree (5); do not elect to report (6); and no diploma (7). Position held in the business was coded at four levels including owner-founder (1), owner-buyer (2), CEO/President (3), and owner (4). Change in the number of employees was calculated by subtracting the number of employees at business founding from the current number of employees.

Results

This study was guided by four research questions to examine leadership styles that contribute to entrepreneurs' business success. The Full Range Leadership Model leadership styles and entrepreneurial leadership style were used in the analyses. This section details the results related to each research question by describing the findings for each question.

Results Related to Research Question 1

RQ_1 was written as follows: Which of the Full Range Leadership Model leadership styles is dominant of entrepreneurs who sustain organizations? The Full Range Leadership Model measured transformational leadership, transactional leadership, and passive/avoidant leadership including laissez-faire leadership using the MLQ Form 5X-Short, which included Questions 1 through 46 on the leadership styles survey. Descriptive statistics were calculated for the Full Range Leadership Model leadership styles for all participants. The factors of transformational leadership included inspirational motivation, idealized influence (attributed), idealized influence (behavior), intellectual stimulation, and individualized consideration. Scores for each factor were calculated based on the protocol outlined by Bass and Avolio (2004) using the MLQ Form 5X-Short Scoring Key. The corresponding questions with each factor were totaled and divided by the number of corresponding questions to each factor.

Inspirational motivation was measured by Questions 9, 13, 26, and 36 on the leadership styles survey (n = 402; M = 3.24, SD = 0.64). Idealized influence (attributed) was measured by Questions 10, 18, 21, and 25 on the leadership styles survey (n = 402; M = 3.16, SD = 0.58). Idealized influence (behavior) was measured by Questions 6, 14, 23, and 34 on the leadership styles survey (n = 402; M = 3.22, SD = 0.65). Intellectual stimulation was measured by Questions 2, 8, 30, and 32 on the leadership styles survey (n = 402; M = 3.02, SD = 0.61). Individualized consideration was measured by Questions 15, 19, 29, and 31 on the leadership styles survey (n = 402; M = 3.22, SD = 0.59). The scores for the questions corresponding with each transformational leadership factor were calculated in order to compute a final transformational leadership style score for all participants (n = 402; M = 3.17, SD = 0.50). Table 4 includes the descriptive statistics for each of the transformational leadership style factors for all participants.

Table 4

Descriptive Statistics of Transformational Leadership Factors

Descriptive Statistics	*M*	*Mdn*	*SD*
Total Participants (*n* = 402)			
Inspirational Motivation	3.24	3.25	0.64
Idealized Influence (attributed)	3.16	3.25	0.58
Idealized Influence (behavior)	3.22	3.25	0.65
Intellectual Stimulation	3.02	3.00	0.61
Individualized Consideration	3.22	3.25	0.59
Transformational Leadership Total	3.17	3.20	0.50

The factors of transactional leadership included contingent reward and management-by-exception (active). Contingent reward corresponded with Questions 1, 11, 16, and 35 on the leadership styles survey (n = 402; M = 3.06, SD = 0.63). Management-by-exception (active) corresponded with Questions 4, 22, 24, and 27 on the leadership styles survey (n = 402; M =

1.95, *SD* = 0.78). The scores for the questions corresponding with both transactional leadership factors were calculated to compute a final transactional leadership score for all participants (*n* = 402; *M* = 2.50, *SD* = 0.56). Table 5 includes the descriptive statistics for each of the transactional leadership style factors for all participants.

Table 5

Descriptive Statistics of Transactional Leadership Factors

Descriptive Statistics	*M*	*Mdn*	*SD*
Total Participants (*n* = 402)			
Contingent Reward	3.06	3.00	0.63
Management-by-exception (active)	1.95	1.88	0.78
Transactional Leadership Total	2.50	2.50	0.56

Passive/avoidant leadership measured management-by-exception (passive) and laissez-faire leadership, which are considered to have negative impacts on organizational outcomes (Bass & Avolio, 2004). Management-by-exception (passive) corresponded with Questions 3, 12, 17, and 20 on the leadership styles survey. The mean score of management-by-exception (passive) was 1.14 with a standard deviation of 0.63. Laissez-faire leadership corresponded with Questions 5, 7, 28, and 33 on the leadership styles survey. The mean score of laissez-faire leadership was 0.57 with a standard deviation of 0.60. The scores for the questions corresponding with both passive/avoidant leadership factors were calculated. The mean passive/avoidant leadership style score for all participants was 0.85 with a standard deviation of 0.51. Table 6 details the descriptive statistics for each of the passive/avoidant leadership style factors for all participants.

The factors for each leadership style assessed using the MLQ resulted in a leadership style score for transformational, transactional, passive/avoidant leadership. Leadership style

Table 6

Descriptive Statistics of Passive/Avoidant Leadership Factors

Descriptive Statistics	*M*	*Mdn*	*SD*
Total Participants (*n* = 402)			
Management-by-exception (passive)	1.14	1.00	0.63
Laissez-faire Leadership	0.57	0.50	0.60
Passive/Avoidant Leadership Total	0.85	0.75	0.51

scores were also calculated based on the protocol outlined by Bass and Avolio (2004) using the MLQ Form 5X-Short Scoring Key. Transformational leadership was calculated based on the scores from five factors, including inspirational motivation, idealized influence (attributed), idealized influence (behavior), intellectual stimulation, and individualized consideration. These scores were added and divided by five, which resulted in a transformational leadership style score for participants. Transactional leadership was calculated based on the scores for two factors, including contingent reward and management-by-exception (active). These scores were added and divided by two, which resulted in a transactional leadership style score for participants. Passive/Avoidant leadership was used to calculate laissez-faire leadership. Passive/Avoidant leadership was calculated based on the scores from two factors, including management-by-exception (passive) and laissez-faire leadership. These scores were added and divided by two, which resulted in a passive/avoidant leadership style for participants. Following this process for the three leadership styles enabled the researcher to compare results from each leadership style for each participant. The highest score of the three leadership styles was used to determine the leadership style of each participant.

Of the 402 respondents, a transformational leadership style was characteristic of 373 leaders (92.79%). Twenty-one respondents (5.22%) had a transactional leadership style. Four respondents (1.00%) had a tie between their transformational and transactional leadership style

scores. Only three respondents (0.75%) had a dominant leadership style of the passive/avoidant (laissez-faire) leadership, and one respondent (0.25%) tied between laissez-faire leadership and transformational leadership. Within the passive/avoidant leadership category, two participants were owner-founders, one respondent was an owner-buyer, and one participant was a CEO/President. Respondents who had scores that were tied or a passive/avoidant leadership defined as laissez-faire leadership were not carried forward to the final analysis. They were considered outliers within the dataset and did not give a clear distinction of the participant's leadership style. Table 7 includes the numbers and percentages for the leadership styles.

Table 7

Frequencies of the Full Range Leadership Model Leadership Styles (n = 402)

Leadership Style	Number	Percentage
Transformational Leadership	373	92.79%
Transactional Leadership	21	5.22%
Transformational and Transactional Leadership Tie	4	1.00%
Passive/Avoidant (Laissez-faire) Leadership	3	0.75%
Laissez-faire and Transformational Leadership Tie	1	0.25%

This study sought to analyze the dominant leadership style of participants. It was determined before data collection to establish the cut off scores for the dominant leadership styles using the 40th percentile for individual scores based on the total of all rating levels from a normative sample with 27,285 participants in the United States conducted by the researchers responsible for the MLQ (Bass & Avolio, 2004). Research conducted by Bass and Avolio (2004) led to a table with corresponding scores for their sample. The 40th percentile for individual scores based on the total of all rating levels for the MLQ represented that 40% of the normed population from the 27,285 participants scored lower than 2.75 for transformational leadership and 2.12 for transactional leadership based on a 0 to 4 Likert-type scale. These scores from the research by Bass and Avolio (2004) were used as criterion in this study. After the

initial assessment of the leadership styles of all participants in this study, cut scores for the MLQ leadership styles using the 40th percentile for individual scores based on the total of all rating levels established by Bass and Avolio resulted in a cut score of 2.75 for transformational leadership and a cut score of 2.12 for transactional leadership, and these scores were used to reduce data (Bass & Avolio, 2004). Total leadership style scores of participants that were greater than or equal to the established cut score for their dominant leadership style remained in the data set. Using this criterion, data were reduced to 335 participants with 315 participants having a transformational leadership (94.03%) and 20 participants having a transactional leadership style (5.97%). These data were carried forward to the next analysis. Descriptive statistics were calculated based on participants with a dominant transformational leadership (n = 315) or transactional leadership (n = 20) style. Table 8 details the frequency of these leadership styles.

Table 8

Frequencies of the Dominant Leadership Styles (n = 335)

Leadership Style	Number	Percentage
Transformational Leadership	315	94.03%
Transactional Leadership	20	5.97%

Based on the dominant leadership style of these participants (n = 335), the factors of transformational and transactional leadership were analyzed. Three hundred and fifteen participants had a transformational leadership style as their dominant style from the MLQ (M = 3.34, SD = 0.33). For the factors of transformational leadership, idealized influence (behavior; M = 3.26, SD = 0.47) and inspirational motivation (M = 3.43, SD = 0.48) had higher mean scores than individualized consideration (M = 3.38, SD = 0.47), idealized influence (attributed; M = 3.31, SD = 0.45), and intellectual stimulation (M = 3.17, SD = 0.52) for participants with a

transformational leadership style. Twenty participants had a transactional leadership style as their dominant style from the MLQ (M = 3.31, SD = 0.54). For the factors of transactional leadership, contingent reward (M = 3.49, SD = 0.53) had a higher mean score than management-by-exception (active; M = 3.14, SD = 0.72) for participants with a transactional leadership style. Table 9 details the descriptive statistics for the dominant leadership style scores.

Table 9

Descriptive Statistics of Dominant Leadership Styles

Descriptive Statistics	*M*	*Mdn*	*SD*
Transformational Leadership Dominant Style (*n* = 315)			
Inspirational Motivation	3.43	3.50	0.48
Idealized Influence (attributed)	3.31	3.25	0.45
Idealized Influence (behavior)	3.43	3.50	0.47
Intellectual Stimulation	3.17	3.25	0.52
Individualized Consideration	3.38	3.50	0.47
Transformational Leadership Total	3.34	3.35	0.33
Transactional Leadership Dominant Style (*n* = 20)			
Contingent Reward	3.49	3.50	0.53
Management-by-exception (active)	3.14	3.25	0.72
Transactional Leadership Total	3.31	3.38	0.54

Note. Scores are based on a 5-point Likert-type scale with 0 meaning "not at all" and 4 meaning "frequently, if not always"

Results Related to Research Question 2

RQ_2 was written as follows: Which of the Full Range Leadership Model leadership styles is more prevalent in the identification of leaders who also exhibit an entrepreneurial leadership style? Results from RQ_1 of the dominant leadership styles of participants were used to analyze transformational and transactional leadership styles in relation to the entrepreneurial leadership style. Questions 46 through 53 on the leadership styles survey corresponded with the ENTRELEAD scale and were used to calculate an entrepreneurial leadership style score for each participant. The researcher selected to categorize participants for the entrepreneurial leadership

style based on a score of 51% or higher as having an entrepreneurial leadership style after conversing with the scale developer (M. Renko, personal communication, January 7, 2017). Scores below this percentage were categorized as a non-entrepreneurial leadership style. The combination of leadership styles was analyzed using frequencies and chi-square.

Transformational and entrepreneurial leadership styles were the most frequent in the sample (n = 335) with 307 participants (91.64%) representing both leadership styles. Eight participants had a transformational leadership and non-entrepreneurial leadership style (2.39%). Transactional and entrepreneurial leadership styles were the dominant leadership styles for 19 participants (5.67%), while one participant had a transactional and non-entrepreneurial leadership style (0.30%). Table 10 details the numbers and percentages for the combination of leadership styles.

Table 10

Frequencies of the Combination of Leadership Styles (n = 335)

Leadership Style	Number	Percentage
Transformational and Entrepreneurial Leadership	307	91.64%
Transformational Leadership and Non-Entrepreneurial Leadership	8	2.39%
Transactional and Entrepreneurial Leadership	19	5.67%
Transactional Leadership and Non-Entrepreneurial Leadership	1	0.30%

The Full Range Leadership Model leadership styles results from RQ_1 were used in a chi-square analysis to test for a difference between the independent variables of transformational and transactional leadership styles and the dependent variable of an entrepreneurial leadership style or non-entrepreneurial leadership style. The association between the MLQ leadership styles and whether or not a participant had an entrepreneurial leadership style was χ^2 (1) = .435, p = .509. Based on the odds ratio, the odds of participants having a entrepreneurial leadership style was 2.02 times higher if they had a transformational leadership style instead of a transactional leadership style. Furthermore, when a participant had a transformational leadership style, the

standardized residual was not significant for both those who had an entrepreneurial leadership style ($z = 0.00$) and those who did not have an entrepreneurial leadership style ($z = -0.20$). When a participant had a transactional leadership style, the standardized residual was not significant for both those who had an entrepreneurial leadership style ($z = -0.10$) and those who did not have an entrepreneurial leadership style ($z = 0.60$). Therefore, the association between leadership styles was not driven by an entrepreneurial leadership style. Table 11 details the results from the chi-square analysis.

Table 11

Chi-square Analysis for Leadership Styles (n = 335)

Entrepreneurial leadership style	*MLQ* leadership styles			
	Transformational leadership	Transactional leadership	χ^2	Φ
Yes	307	19	.435*	-.036*
No	8	1		

Note. *p = .509

Results Related to Research Question 3

RQ_3 was written as follows: How do leaders with various combinations of leadership styles relate to the variables of gender, education, industry type, and role in business? The first subsection of the survey asked participants demographic and business questions, including (a) gender, (b) education level, (c) industry type, and (d) current role in business. Chi-square was used to test for the relationship between the categorical variables of education, industry, role in business, and gender and the variable of the combination of leadership styles. The combination of leadership styles in these analyses was transformational and entrepreneurial leadership, transactional and entrepreneurial leadership, and transformational leadership. The transactional leadership category only had one case, and it was excluded from this analysis and considered an outlier. The association between the combination of leadership styles and education was χ^2 (12)

= 8.256, p = .765. The association between the combination of leadership styles and industry was χ^2 (26) = 29.029, p = .310. The association between the combination of leadership styles and role in business was χ^2 (6) = 6.403, p = .380. For gender, three participants that did not elect to report their gender and were excluded from the analysis. The association between the combination of leadership styles and gender was statistically significant, χ^2 (2) = 6.653, p = .036. Cramer's V was .142 for the combination of leadership styles and gender, indicating that the effect size was small. Furthermore, standardized residuals were used to analyze these findings. When a participant had a transformational leadership style, the standardized residual was not significant for both males (z = -0.5) and females (z = 0.9) at $p < .05$. When a participant had a transactional and entrepreneurial leadership style, the standardized residual was not significant for males (z = 1.1), but it was significant for females (z = -2.0) at $p < .05$. When a participant had a transformational and entrepreneurial leadership style, the standardized residual was not significant for both males (z = -0.2) and females (z = 0.4) at $p < .05$. Table 12 details the results from the chi-square analysis.

Table 12

Chi-square Analyses Applied to Leadership Styles Related to Education, Industry, Role in Business, and Gender

Variable	χ^2	*df*	*p*
Education	8.256	12	.765
Industry	29.029	26	.310
Role in Business	6.403	6	.380
Gender	6.653	2	.036

Results Related to Research Question 4

RQ_4 was written as follows: How do various combinations of leadership styles, gender, education, industry type, and role in business relate to the success factors of years of operation, profitability, and the difference in the number of employees? The first subsection of the survey

asked participants demographic and business questions, including (a) gender, (b) education level, (c) industry type, (d) years of operation, (e) number of employees at current organization, (f) current role in business, and (g) profitability. Frequencies were calculated for the demographic and business questions. The male participants provided 77.31% of the responses (*n* = 259), and female participants provided 21.79% of the responses (*n* = 73). Three participants (0.90%) elected to not report their gender. The education level of respondents was divided between bachelor's degree (*n* = 133, 39.70%), high school diploma or equivalency (*n* = 70, 20.90%), associate degree, junior college, or trade school (*n* = 49, 14.63%), master's degree (*n* = 40, 11.94%), doctoral or professional degree (*n* = 37, 11.04%), no diploma (*n* = 3, 0.90%), and do not elect to report (*n* = 3, 0.90%). Industries represented in this sample were manufacturing (*n* = 16, 4.78%), wholesale trades (*n* = 7, 2.09%), retail trades (*n* = 54, 16.12%), information trades (*n* = 5, 1.49%), real estate (*n* = 23, 6.87%), profession and/or technical services (*n* = 104, 31.04%), administrative and/or support services (*n* = 7, 2.09%), educational services (*n* = 8, 2.39%), healthcare and/or social services (*n* = 30, 8.96%), arts and/or recreation (*n* = 2, 0.60%), and other (*n* = 76, 22.69%).

Two hundred and five owner-founders provided 61.19% of responses, while 78 owner-buyers provided 23.28% of responses. CEO/Presidents provided 43 responses, which was 12.84% of responses, and nine owners who did not designate if they were a founder or buyer comprised 2.69% of responses. When asked about the diversification of products and services since 2008, 315 responses of the 335 participants responded, as all participants did not elect to answer this question. One hundred and seventy-four respondents (55.24%) indicated that their products and services had diversified, while 133 respondents (42.22%) indicated that their products and services had not diversified. The other category was comprised of eight

respondents (2.54%) who indicated that their businesses have changed somewhat or they left an explanation that did not clearly categorize their response as a "yes" or "no." Table 13 details the demographic characteristics of the survey participants.

Table 13

Demographic Characteristics of Survey Participants

Demographic Characteristic	Frequency	Percentage
Gender (*n* = 335)		
Male	259	74.31%
Female	73	21.49%
Do not elect to report	3	0.90%
Education Level (*n* = 335)		
No diploma	3	0.90%
High school diploma or equivalency	70	20.90%
Associate degree, junior college, or trade school	49	14.63%
Bachelor's degree	133	39.70%
Master's degree	40	11.94%
Doctoral or professional degree	37	11.04%
Do not elect to report	3	0.90%
Industry Type (*n* = 335)		
Manufacturing	16	4.78%
Wholesale trades	7	2.09%
Retail trades	54	16.12%
Information trades	5	1.49%
Real estate	23	6.87%
Profession and/or technical services	104	31.04%
Administrative and/or support services	7	2.09%
Educational services	8	2.39%
Healthcare and/or social services	30	8.96%
Arts and/or recreation	2	0.60%
Accommodations	3	0.90%
Other	76	22.69 %
Current Role in Business (*n* = 335)		
CEO/President (but not owner)	43	12.84%
Owner-founder	205	61.19%
Owner-buyer	78	23.28%
Owner	9	2.69%
Diversification of Products and Services (*n* = 315)		
Yes	174	55.24%
No	133	42.22%
Other	8	2.54%

Note. Not all 335 participants responded to all survey questions, hence the differences in *n* for each question in this table.

In addition to the demographic questions, participants were asked the years of operation of their business, the number of employees at the founding of their business, and the number of current employees. Each of their responses was written in numerical format. Not everyone within the 335 participants answered these questions, hence the difference in *n* for years of operation, the number of employees at founding, and the number of current employees. The years of operation had 334 responses (M = 21.69, SD = 21.45). The number of employees at the founding of the business had 330 responses (M = 4.79, SD = 13.01). The number of current employees at the business had 335 responses (M = 94.43, SD = 563.92). These statistics are detailed in Table 14.

Table 14

Descriptive Statistics of Business Characteristics

Business Characteristics	*M*	*Mdn*	*SD*
Years of Operation (*n* = 334)	21.69	16.00	21.45
Number of Employees at Founding (*n* = 330)	4.79	2.00	13.01
Number of Current Employees (*n* = 335)	94.43	8.00	563.92

Note. Not all 335 participants responded to all survey questions, hence the differences in *n* for each question in this table.

Participants also answered the questions related to the profitability of their business over the last year and over five years on the survey. The percentage indicated by the participant was used in the data analysis, but an average was calculated for the respondents that indicated a range of profitability. Two hundred and ninety respondents answered the business profitability over the last year (M = 27.91%, SD =57.45), and 277 respondents answered the business profitability over the last five years of the total 335 participants (M = 34.77%, SD = 48.29). Responses were reported as a percentage, and the mean percentage represented the average percentage of business profitability for respondents. These statistics are detailed in Table 15.

Table 15

Descriptive Statistics of Profitability Variables

Profitability	*M%*	*Mdn*	*SD*
Profitability from Current Year (*n* = 290)	27.91%	15.30%	57.45
Profitability over 5 Years (*n* = 277)	34.77%	20.00%	48.29

Note. Not all 335 participants responded to all survey questions, hence the differences in *n* for each question in this table.

Frequencies and descriptive statistics were then calculated for the variables based on the Full Range Leadership Model. Frequencies of the dominant leadership style of participants from the Full Range Leadership Model were analyzed. Three hundred and thirty-five participants had complete data for gender, industry, education, and role in business. Two hundred and thirty-nine male (72.34%) and 73 female (21.79%) participants had a transformational leadership style, while 20 male (5.97%) participants had a transactional leadership style. Three participants (0.90%), who did not elect to report their gender, had a transformational leadership style. No female participants had a transactional leadership style. A dominant transformational leadership style was characteristic of 127 participants with a bachelor's degree (37.91%), 64 participants with a high school diploma or equivalency (19.10%), 44 participants with an associate degree, junior college, or trade school (13.13%), 37 participants with a master's degree (11.04%), 37 participants with a doctoral or professional degree (11.04%), three participants with no diploma (0.90%), and three participants who did not elect to report (0.90%). A dominant transactional leadership style was characteristic of six participants with a bachelor's degree (1.79%), six participants with a high school diploma or equivalency (1.79%), five participants with an associate degree, junior college, or trade school (1.49%), and three participants with a master's degree (0.90%).

A dominant transformational leadership style was also characteristic of 98 participants with businesses in professional and/or technical services (29.25%), 69 participants with

businesses in the other industry category (20.60%), 51 participants with businesses in retail trades (15.22%), 30 participants with businesses in healthcare and/or social services (8.96%), 23 participants with businesses in real estate (6.87%), 15 participants with businesses in manufacturing (4.48%), eight participants with businesses in educational services (2.39%), seven participants with businesses in wholesale trades (2.09%), five participants with businesses in information trades (1.49%), five participants with businesses in administrative and/or support services (1.49%), two participants with businesses in arts and/or recreation (0.60%), and two participants with businesses in accommodations (0.60%). A dominant transactional leadership style was characteristic of seven participants with businesses in the other industry category (2.09%), six participants with businesses in professional and/or technical services (1.79%), three participants with businesses in retail trades (0.90%), two participants with businesses in administrative and/or support services (0.60%), one participant with a business in manufacturing (0.30%), and one participant with a business in accommodations (0.30%). Frequencies for the Full Range Leadership Model leadership styles by current role in business indicated that 190 owner-founders (56.72%), 75 owner-buyers (22.39%), 41 CEOs/Presidents (12.24%), and nine owners (2.69%) had a transformational leadership style. Fifteen owner-founders (4.48%), three owner-buyers (0.90%), and two CEOs/Presidents (0.60%) had a transactional leadership style.

Only three hundred and fifteen participants of the 335 participants answered the survey question about the diversification of their products and services as a business since 2008. The other participants elected to not respond to this question. The participants that responded to this question were included in calculating frequencies for this survey question. Representing 52.06% of the sample (n = 315), 164 participants with a dominant transformational leadership style indicated that their products and services had diversified since 2008; however, 124 participants

with a transformational leadership style (39.37%) indicated that their products and services had not diversified since 2008. Ten participants with a transactional leadership style (3.17%) indicated that their products and services had diversified since 2008, but 10 participants with a transactional leadership style (3.17%) indicated that their products and services had not diversified since 2008. Finally, seven participants with a transformational leadership style (2.22%) indicated that their products and services had somewhat diversified, representing the "other" category. Table 16 details the frequencies of the dominant transformational or transactional leadership styles of participants, which is categorized by gender, education level, industry, role in business, and diversification of product and services in the business.

The mean, median, and standard deviation were analyzed for participants for each factor of the dominant transformational or transactional leadership style, as defined in the Full Range Leadership Model. The 335 participants with complete data for gender, industry, education, and role in business questions were included in the analysis. The factors of transformational leadership were inspirational motivation, idealized influence (attributed), idealized influence (behavior), intellectual stimulation, and individualized consideration. The factors of transactional leadership were contingent reward and management-by-exception (active). Two hundred and fifty-nine male (M = 3.32, SD = 0.33) and 73 female (M = 3.42, SD = 0.32) participants had a transformational leadership style, while 20 male (M = 3.31, SD = 0.54) participants had a transactional leadership style. Three participants elected to not report their gender and had a transformational leadership style (M = 3.20, SD = 0.26). For males with a transformational leadership style, idealized influence (behavior; M = 3.42, SD = 0.47) had a higher mean score than inspirational motivation (M = 3.41, SD = 0.48), individualized

Table 16

Frequencies of the Dominant Transformational and Transactional Leadership Styles and Demographic Variables

		Transformational Leadership Frequency (Percentage)	Transactional Leadership Frequency (Percentage)	Total (Percentage)
Gender (*n* = 335)				
	Male	239 (72.34%)	20 (5.97%)	259 (77.31%)
	Female	73 (21.79%)	0 (0.00%)	73 (21.79%)
	Do not elect to report	3 (0.90%)	0 (0.00%)	3 (0.90%)
	Total	315 (94.02%)	20 (5.97%)	335 (100.00%)
Education Level (*n* = 335)	No diploma	3 (0.90%)	0 (0.00%)	3 (0.90%)
	High school diploma or equivalency	64 (19.10%)	6 (1.79%)	70 (20.90%)
	Associate degree, junior college, or trade school	44 (13.13%)	5 (1.49%)	49 (14.63%)
	Bachelor's degree	127 (37.91%)	6 (1.79%)	133 (39.70%)
	Master's degree	37 (11.04%)	3 (0.90%)	40 (11.94%)
	Doctoral or professional degree	37 (11.04%)	0 (0.00%)	37 (11.04%)
	Do not elect to report	3 (0.90%)	0 (0.00%)	3 (0.90%)
	Total	315 (94.02%)	20 (5.97%)	335 (100.00%)
Industry (*n* = 335)	Manufacturing	15 (4.48%)	1 (0.30%)	16 (4.78%)
	Wholesale trades	7 (2.09%)	0 (0.00%)	7 (2.09%)
	Retail trades	51 (15.22%)	3 (0.90%)	54 (16.12%)
	Information trades	5 (1.49%)	0 (0.00%)	5 (1.49%)
	Real estate	23 (6.87%)	0 (0.00%)	23 (6.87%)
	Profession and/or technical services	98 (29.25%)	6 (1.79%)	104 (31.04%)
	Administrative and/or support services	5 (1.49%)	2 (0.60%)	7 (2.09%)
	Educational services	8 (2.39%)	0 (0.00%)	8 (2.39%)
	Healthcare and/or social services	30 (8.96%)	0 (0.00%)	30 (8.96%)
	Arts and/or recreation	2 (0.60%)	0 (0.00%)	2 (0.60%)
	Accommodations	2 (0.60%)	1 (0.30%)	3 (0.90%)
	Other	69 (20.60%)	7 (2.09%)	76 (22.69%)
	Total	315 (94.02%)	20 (5.97%)	335 (100.00%)
Role in Business (*n* = 335)	CEO/Presidents	41 (12.24%)	2 (0.60%)	43 (12.84%)
	Owner-Founder	190 (56.72%)	15 (4.48%)	205 (61.19%)
	Owner-Buyer	75 (22.39%)	3 (0.90%)	78 (23.28%)
	Owner	9 (2.69%)	0 (0.00%)	9 (2.69%)
	Total	315 (94.02%)	20 (5.97%)	335 (100.00%)
Diversification of Products and Services (*n* = 315)	Yes	164 (52.06%)	10 (3.17%)	174 (55.24%)
	No	124 (39.37%)	10 (3.17%)	134 (42.54%)
	Other	7 (2.22%)	0 (0.00%)	7 (2.22%)
	Total	295 (93.65%)	20 (6.35%)	315 (100.00%)

Note. Not all 335 participants responded to all survey questions, hence the differences in *n* for each question.

intellectual stimulation (*M* = 3.15, *SD* = 0.52). For females with a transformational leadership consideration (*M* = 3.36, *SD* = 0.48), idealized influence (attributed; *M* = 3.28, *SD* = 0.44), and style, inspirational motivation (*M* = 3.52, *SD* = 0.47) had a higher mean score than idealized influence (behavior; *M* = 3.47, *SD* = 0.46), individualized consideration (*M* = 3.44, *SD* = 0.45), idealized influence (attributed; *M* = 3.41, *SD* = 0.44), and intellectual stimulation (*M* = 3.23, *SD* = 0.50). Contingent reward (*M* = 3.49, *SD* = 0.53) had a higher mean score than management-by-exception (active; *M* = 3.14, *SD* = 0.72) for the 21 males with a transactional leadership style. Table 17 details the dominant leadership style by gender.

The mean, median, and standard deviation were analyzed for the education level of each participant and the dominant transformational or transactional leadership styles of participants. A dominant transformational leadership style was characteristic of 127 participants with a bachelor's degree (*M* = 3.33, *SD* = 0.31), 64 participants with a high school diploma or equivalency (*M* = 3.35, *SD* = 0.33), 44 participants with an associate degree, junior college, or trade school (*M* = 3.45, *SD* = 0.35), 37 participants with a master's degree (*M* = 3.34, *SD* = 0.36), 37 participants with a doctoral or professional degree (*M* = 3.24, *SD* = 0.32), three participants with no diploma (*M* = 3.42, *SD* = 0.53), and three participants who did not elect to report (*M* = 3.32, *SD* = 0.10).

Idealized influence (behavior; *M* = 3.44, *SD* = 0.44) had a higher mean score than inspirational motivation (*M* = 3.40, *SD* = 0.48), individualized consideration (*M* = 3.36, *SD* = 0.45), idealized influence (attributed; *M* = 3.28, *SD* = 0.45), and intellectual stimulation (*M* = 3.18, *SD* = 0.45) for participants with a transformational leadership style and bachelor's degree. Inspirational motivation (*M* = 3.53, *SD* = 0.47) had a higher mean score than individualized consideration (*M* = 3.42, *SD* = 0.46), idealized influence (behavior; *M* = 3.43, *SD* = 0.49),

Table 17

Full Range Leadership Model Leadership Dominant Style Scores by Gender (n = 335)

	Descriptive Statistics	*M*	*Mdn*	*SD*	Number
Gender					
	Male (*n* = 259)				
	Inspirational Motivation	3.41	3.50	0.48	239
	Idealized Influence (attributed)	3.28	3.25	0.44	239
	Idealized Influence (behavior)	3.42	3.50	0.47	239
	Intellectual Stimulation	3.15	3.25	0.52	239
	Individualized Consideration	3.36	3.50	0.48	239
	Transformational Leadership Score	3.32	3.30	0.33	239
	Contingent Reward	3.49	3.50	0.53	20
	Management-by-exception (active)	3.14	3.25	0.72	20
	Transactional Leadership Score	3.31	3.38	0.54	20
	Female (*n* = 73)				
	Inspirational Motivation	3.52	3.50	0.47	73
	Idealized Influence (attributed)	3.41	3.50	0.44	73
	Idealized Influence (behavior)	3.47	3.50	0.46	73
	Intellectual Stimulation	3.23	3.25	0.50	73
	Individualized Consideration	3.44	3.50	0.45	73
	Transformational Leadership Score	3.42	3.40	0.32	73
	Contingent Reward	0.00	0.00	0.00	0
	Management-by-exception (active)	0.00	0.00	0.00	0
	Transactional Leadership Score	0.00	0.00	0.00	0
	Do Not Elect to Report (*n* = 3)				
	Inspirational Motivation	2.92	3.00	0.38	3
	Idealized Influence (attributed)	3.00	3.50	0.87	3
	Idealized Influence (behavior)	2.92	3.00	0.38	3
	Intellectual Stimulation	3.08	3.25	0.29	3
	Individualized Consideration	3.58	3.50	0.14	3
	Transformational Leadership Score	3.20	3.30	0.26	3
	Contingent Reward	0.00	0.00	0.00	0
	Management-by-exception (active)	0.00	0.00	0.00	0
	Transactional Leadership Score	0.00	0.00	0.00	0

idealized influence (attributed; *M* = 3.30, *SD* = 0.44), and intellectual stimulation (*M* = 3.08, *SD* = 0.63) for participants with a transformational leadership style and a high school diploma or equivalency. Idealized influence (behavior; *M* = 3.54, *SD* = 0.44) had a higher mean score than individualized consideration (*M* = 3.48, *SD* = 0.42), idealized influence (attributed; *M* = 3.44, *SD*

= 0.47), inspirational motivation (*M* = 3.48, *SD* = 0.52), and intellectual stimulation (*M* = 3.31, *SD* = 0.54) for participants with a transformational leadership style and an associate degree, junior college, or trade school. Inspirational motivation (*M* = 3.39, *SD* = 0.49) had a higher mean score than idealized influence (behavior; *M* = 3.34, *SD* = 0.48), intellectual stimulation (*M* = 3.34, *SD* = 0.39), individualized consideration (*M* = 3.36, *SD* = 0.56), and idealized influence (attributed; *M* = 3.26, *SD* = 0.49) for participants with a transformational leadership style and a master's degree.

Inspirational motivation (*M* = 3.34, *SD* = 0.43) also had a higher mean score than idealized influence (behavior; *M* = 3.33, *SD* = 0.51), individualized consideration (*M* = 3.23, *SD* = 0.51), idealized influence (attributed; *M* = 3.28, *SD* = 0.39), and intellectual stimulation (*M* = 3.03, *SD* = 0.53) for participants with a transformational leadership style and a doctoral or professional degree. Individualized consideration (*M* = 3.83, *SD* = 0.14) had a substantially higher mean score than inspirational motivation (*M* = 3.42, *SD* = 0.52), idealized influence (attributed; *M* = 3.42, *SD* = 0.63), idealized influence (behavior; *M* = 3.25, *SD* = 0.66), and intellectual stimulation (*M* = 3.17, *SD* = 1.01) for participants with a transformational leadership style and no diploma. For the three participants who had a transformational leadership style and elected to not report their education level, inspirational motivation (*M* = 3.92, *SD* = 0.14) had a higher mean score than idealized influence (behavior; *M* = 3.33, *SD* = 0.63), individualized consideration (*M* = 3.08, *SD* = 0.38), idealized influence (attributed; *M* = 3.33, *SD* = 0.63), and intellectual stimulation (*M* = 2.92, *SD* = 0.29).

A dominant transactional leadership style was characteristic of six participants with a bachelor's degree (*M* = 3.17, *SD* = 0.60), six participants with a high school diploma or equivalency (*M* = 3.48, *SD* = 0.38), five participants with an associate degree, junior college, or

trade school (*M* = 3.38, *SD* = 0.77), and three participants with a master's degree (*M* = 3.17, *SD* = 0.44). For the six participants who had a transactional leadership style and a bachelor's degree, contingent reward (*M* = 3.21, *SD* = 0.49) had a higher mean score than management-by-exception (active; *M* = 3.13, *SD* = 0.75). Contingent reward (*M* = 3.50, *SD* = 0.85) had a higher mean score than management-by-exception (active; *M* = 3.25, *SD* = 0.77) for participants with a transactional leadership style and an associate degree, junior college, or trade school. Contingent reward (*M* = 3.50, *SD* = 0.25) also had a higher mean score than management-by-exception (active; *M* = 2.83, *SD* = 0.63) for participants with a transactional leadership style and a master's degree. Table 18 details the dominant transformational and transactional leadership styles categorized by education level.

The mean, median, and standard deviation, were analyzed for the industry of each participant's business and the dominant transformational or transactional leadership styles of participants. Ninety-eight participants with businesses in profession and/or technical services (*M* = 3.32, *SD* = 0.33), 69 participants with businesses in the other industry category (*M* = 3.42, *SD* = 0.30), 51 participants with businesses in retail trades (*M* = 3.32, *SD* = 0.39), 30 participants with businesses in healthcare and/or social services (*M* = 3.32, *SD* = 0.33), 23 participants with businesses in real estate (*M* = 3.27, *SD* = 0.36), 15 participants with businesses in manufacturing (*M* = 3.26, *SD* = 0.30), eight participants with businesses in educational services (*M* = 3.49, *SD* = 0.33), seven participants with businesses in wholesale trades (*M* = 3.31, *SD* = 0.12), five participants with businesses in information trades (*M* = 3.56, *SD* = 0.33), five participants with businesses in administrative and/or support services (*M* = 3.20, *SD* = 0.29), two participants with businesses in arts and/or recreation (*M* = 3.32, *SD* = .33), and two participants with businesses in

Table 18

Full Range Leadership Model Leadership Dominant Style Scores by Education Level (n = 335)

Descriptive Statistics	*M*	*Mdn*	*SD*	Number
Education Level				
No Diploma (*n* = 3)				
Inspirational Motivation	3.42	3.25	0.52	3
Idealized Influence (attributed)	3.42	3.50	0.63	3
Idealized Influence (behavior)	3.25	3.00	0.66	3
Intellectual Stimulation	3.17	3.75	1.01	3
Individualized Consideration	3.83	3.75	0.14	3
Transformational Leadership Score	3.42	3.40	0.53	3
Contingent Reward	0.00	0.00	0.00	0
Management-by-exception (active)	0.00	0.00	0.00	0
Transactional Leadership Score	0.00	0.00	0.00	0
High school diploma or equivalency (*n* = 70)				
Inspirational Motivation	3.53	3.63	0.47	64
Idealized Influence (attributed)	3.30	3.25	0.44	64
Idealized Influence (behavior)	3.43	3.50	0.49	64
Intellectual Stimulation	3.08	3.25	0.63	64
Individualized Consideration	3.42	3.50	0.46	64
Transformational Leadership Score	3.35	3.33	0.33	64
Contingent Reward	3.75	3.75	0.22	6
Management-by-exception (active)	3.21	3.38	0.84	6
Transactional Leadership Score	3.48	3.50	0.38	6
Associate degree, Junior College, or Trade school (*n* = 49)				
Inspirational Motivation	3.48	3.75	0.52	44
Idealized Influence (attributed)	3.44	3.50	0.47	44
Idealized Influence (behavior)	3.54	3.75	0.44	44
Intellectual Stimulation	3.31	3.50	0.54	44
Individualized Consideration	3.48	3.50	0.42	44
Transformational Leadership Score	3.45	3.53	0.35	44
Contingent Reward	3.50	3.75	0.85	5
Management-by-exception (active)	3.25	3.25	0.77	5
Transactional Leadership Score	3.38	3.50	0.77	5
Bachelor's degree (*n* = 133)				
Inspirational Motivation	3.40	3.50	0.48	127
Idealized Influence (attributed)	3.28	3.25	0.45	127
Idealized Influence (behavior)	3.44	3.50	0.44	127
Intellectual Stimulation	3.18	3.25	0.45	127

Table 18 (*continued*)

Individualized Consideration	3.36	3.50	0.45	127
Transformational Leadership Score	3.33	3.35	0.31	127
Contingent Reward	3.21	3.38	0.49	6
Management-by-exception (active)	3.13	3.25	0.75	6
Transactional Leadership Score	3.17	3.31	0.60	6
Master's degree (*n* = 40)				
Inspirational Motivation	3.39	3.50	0.49	37
Idealized Influence (attributed)	3.26	3.25	0.49	37
Idealized Influence (behavior)	3.34	3.25	0.48	37
Intellectual Stimulation	3.34	3.50	0.39	37
Individualized Consideration	3.36	3.50	0.56	37
Transformational Leadership Score	3.34	3.30	0.36	37
Contingent Reward	3.50	3.50	0.25	3
Management-by-exception (active)	2.83	2.75	0.63	3
Transactional Leadership Score	3.17	3.13	0.44	3
Doctoral or professional degree (*n* = 37)				
Inspirational Motivation	3.34	3.25	0.43	37
Idealized Influence (attributed)	3.28	3.25	0.39	37
Idealized Influence (behavior)	3.33	3.50	0.51	37
Intellectual Stimulation	3.03	3.00	0.53	37
Individualized Consideration	3.23	3.25	0.51	37
Transformational Leadership Score	3.24	3.15	0.32	37
Contingent Reward	0.00	0.00	0.00	0
Management-by-exception (active)	0.00	0.00	0.00	0
Transactional Leadership Score	0.00	0.00	0.00	0
Do not elect to report (*n* = 3)				
Inspirational Motivation	3.92	4.00	0.14	3
Idealized Influence (attributed)	3.33	3.25	0.63	3
Idealized Influence (behavior)	3.33	3.75	0.72	3
Intellectual Stimulation	2.92	2.75	0.29	3
Individualized Consideration	3.08	3.00	0.38	3
Transformational Leadership Score	3.32	3.35	0.10	3
Contingent Reward	0.00	0.00	0.00	0
Management-by-exception (active)	0.00	0.00	0.00	0
Transactional Leadership Score	0.00	0.00	0.00	0

accommodations (*M* = 3.58, *SD* = 0.25). For participants with a transformational leadership style and businesses in profession and/or technical services, inspirational motivation (*M* = 3.42,

SD = 0.52) had a higher mean score than idealized influence (behavior; *M* = 3.37, *SD* = 0.45), idealized influence (attributed; *M* = 3.27, *SD* = 0.47), individualized consideration (*M* = 3.30, *SD* = 0.51), and intellectual stimulation (*M* = 3.23, *SD* = 0.48). Idealized influence (behavior; *M* = 3.57, *SD* = 0.43) had a higher mean score than inspirational motivation (*M* = 3.51, *SD* = 0.42), individualized consideration (*M* = 3.42, *SD* = 0.47), idealized influence (attributed; *M* = 3.37, *SD* = 0.40), and intellectual stimulation (*M* = 3.23, *SD* = 0.49) for participants with a transformational leadership style and businesses in the other industry. Individualized consideration (*M* = 3.42, *SD* = 0.47) and inspirational motivation (*M* = 3.42, *SD* = 0.49) had higher mean scores than idealized influence (behavior; *M* = 3.36, *SD* = 0.52), idealized influence (attributed; *M* = 3.26, *SD* = 0.51), and intellectual stimulation (*M* = 3.12, *SD* = 0.59) for participants with a transformational leadership style and businesses in retail trades.

Idealized influence (behavior; *M* = 3.45, *SD* = 0.48) had higher mean score than idealized influence (attributed; *M* = 3.40, *SD* = 0.39), inspirational motivation (*M* = 3.39, *SD* = 0.40), individualized consideration (*M* = 3.35, *SD* = 0.50), and intellectual stimulation (*M* = 3.03, *SD* = 0.53) for participants with a transformational leadership style and businesses in healthcare and/or social services. Inspirational motivation (*M* = 3.42, *SD* = 0.52) had a higher mean score than individualized consideration (*M* = 3.37, *SD* = 0.41), idealized influence (attributed; *M* = 3.30, *SD* = 0.41), idealized influence (behavior; *M* = 3.29, *SD* = 0.49), and intellectual stimulation (*M* = 2.97, *SD* = 0.59) for participants with a transformational leadership style and businesses in real estate. Idealized influence (behavior; *M* = 3.37, *SD* = 0.50) had a higher mean score than individualized consideration (*M* = 3.30, *SD* = 0.46), inspirational motivation (*M* = 3.25, *SD* = 0.47), idealized influence (attributed; *M* = 3.20, *SD* = 0.37), and intellectual stimulation (*M* = 3.18, *SD* = 0.50) for participants with a transformational leadership style and businesses in

manufacturing. Idealized influence (behavior; *M* = 3.69, *SD* = 0.37) had a higher mean score than individualized consideration (*M* = 3.59, *SD* = 0.35), inspirational motivation (*M* = 3.50, *SD* = 0.61), idealized influence (attributed; *M* = 3.47, *SD* = 0.60), and intellectual stimulation (*M* = 3.19, *SD* = 0.50) for participants with a transformational leadership style and businesses in educational services. Individualized consideration (*M* = 3.43, *SD* = 0.31) had a higher mean score than inspirational motivation (*M* = 3.39, *SD* = 0.35), idealized influence (attributed; *M* = 3.29, *SD* = 0.17), intellectual stimulation (*M* = 3.29, *SD* = 0.60), and idealized influence (behavior; *M* = 3.14, *SD* = 0.38) for participants with a transformational leadership style and businesses in wholesale trades.

Idealized influence (behavior; *M* = 3.80, *SD* = 0.21) had a higher mean score than individualized consideration (*M* = 3.75, *SD* = 0.18), inspirational motivation (*M* = 3.70, *SD* = 0.33), idealized influence (attributed; *M* = 3.35, *SD* = 0.38), and intellectual stimulation (*M* = 3.20, *SD* = 0.33) for participants with a transformational leadership style and businesses in information trades. Idealized influence (behavior; *M* = 3.35, *SD* = 0.29) had a higher mean score than intellectual stimulation (*M* = 3.30, *SD* = 0.21), inspirational motivation (*M* = 3.20, *SD* = 0.54), individualized consideration (*M* = 3.20, *SD* = 0.27), and idealized influence (attributed; *M* = 2.95, *SD* = 0.69) for participants with a transformational leadership style and businesses in administrative and/or support services. Intellectual stimulation (*M* = 3.88, *SD* = 0.18) had a higher mean score than inspirational motivation (*M* = 3.63, *SD* = 0.53), idealized influence (attributed; *M* = 3.50, *SD* = 0.00), individualized consideration (*M* = 3.50, *SD* = 0.35), and idealized influence (behavior; *M* = 3.38, *SD* = 0.88) for participants with a transformational leadership style and businesses in arts and/or recreation. Idealized influence (behavior; *M* = 4.00, *SD* = 0.00) had a higher mean score than individualized consideration (*M* = 3.63, *SD* =

0.53), idealized influence (attributed; *M* = 3.50, *SD* = 0.71), inspirational motivation (*M* = 3.50, *SD* = 0.71), and intellectual stimulation (*M* = 2.75, *SD* = 0.35) and for participants with a transformational leadership style and businesses in accommodations. Individualized consideration (*M* = 3.50, *SD* = 0.00), inspirational motivation (*M* = 3.50, *SD* = 0.00), idealized influence (behavior; *M* = 3.50, *SD* = 0.00), idealized influence (attributed; *M* = 3.50, *SD* = 0.00) had the same mean scores, while intellectual stimulation (*M* = 3.25, *SD* = 0.63) had a lower mean score for the participant with a transformational leadership style and businesses retail trades and professional and/or technical services industries.

A dominant transactional leadership style was characteristic of seven participants with businesses in the other industry category (*M* = 3.36, *SD* = 0.63), six participants with businesses in profession and/or technical services (*M* = 3.23, *SD* = 0.76), three participants with businesses in retail trades (*M* = 3.33, *SD* = 0.14), two participants with businesses in administrative and/or support services (*M* = 3.31, *SD* = 0.44), one participant with a business in manufacturing (*M* = 3.38, *SD* = 0.00), and one participant with a business in accommodations (*M* = 3.13, *SD* = 0.00). For the seven participants who had a transactional leadership style and a business in the other industry category, contingent reward (*M* = 3.46, *SD* = 0.57) had a higher mean score than management-by-exception (active; *M* = 3.32, *SD* = 0.77). Contingent reward (*M* = 3.33, *SD* = 0.74) had a higher mean score than management-by-exception (active; *M* = 3.13, *SD* = 0.88) for participants with a transactional leadership style and businesses in professional and/or technical services. Contingent reward (*M* = 3.58, *SD* = 0.29) had a higher mean score than management-by-exception (active; *M* = 3.08, *SD* = 0.29) for participants with a transactional leadership style and businesses in retail trades. Contingent reward (*M* = 3.75, *SD* = 0.35) had a higher mean score than management-by-exception (active; *M* = 2.88, *SD* = 1.24) for participants with a

transactional leadership style and businesses in administrative and/or support services. Contingent reward (M = 3.50, SD = 0.00) had a higher mean score than management-by-exception (active; M = 3.25, SD = 0.00) for the participant with a transactional leadership style and business in manufacturing. Contingent reward (M = 3.75, SD = 0.00) had a higher mean score than management-by-exception (active; M = 2.50, SD = 0.00) for the participant with a transactional leadership style and business in accommodations. Table 19 details the dominant leadership styles scores by industry.

Table 19

Full Range Leadership Model Leadership Dominant Style Scores by Industry

	Descriptive Statistics	*M*	*Mdn*	*SD*	Frequency
Industry					
	Manufacturing (*n* = 16)				
	Inspirational Motivation	3.25	3.25	0.47	15
	Idealized Influence (attributed)	3.20	3.25	0.37	15
	Idealized Influence (behavior)	3.37	3.50	0.50	15
	Intellectual Stimulation	3.18	3.00	0.50	15
	Individualized Consideration	3.30	3.25	0.46	15
	Transformational Leadership Score	3.26	3.20	0.30	15
	Contingent Reward	3.50	3.50	0.00	1
	Management-by-exception (active)	3.25	3.25	0.00	1
	Transactional Leadership Score	3.38	3.38	0.00	1
	Wholesale trades (*n* = 7)				
	Inspirational Motivation	3.39	3.50	0.35	7
	Idealized Influence (attributed)	3.29	3.25	0.17	7
	Idealized Influence (behavior)	3.14	3.00	0.38	7
	Intellectual Stimulation	3.29	3.25	0.60	7
	Individualized Consideration	3.43	3.50	0.31	7
	Transformational Leadership Score	3.31	3.30	0.12	7
	Contingent Reward	0.00	0.00	0.00	0
	Management-by-exception (active)	0.00	0.00	0.00	0
	Transactional Leadership Score	0.00	0.00	0.00	0
	Retail trades (*n* = 54)				
	Inspirational Motivation	3.42	3.50	0.49	51
	Idealized Influence (attributed)	3.26	3.25	0.51	51
	Idealized Influence (behavior)	3.36	3.50	0.52	51
	Intellectual Stimulation	3.12	3.00	0.59	51
	Individualized Consideration	3.42	3.50	0.47	51
	Transformational Leadership Score	3.32	3.25	0.39	51

Table 19 (*continued*)

Contingent Reward	3.58	3.75	0.29	3
Management-by-exception (active)	3.08	3.25	0.29	3
Transactional Leadership Score	3.33	3.25	0.14	3
Information trades (*n* = 5)				
Inspirational Motivation	3.70	3.75	0.33	5
Idealized Influence (attributed)	3.35	3.50	0.38	5
Idealized Influence (behavior)	3.80	3.75	0.21	5
Intellectual Stimulation	3.20	3.00	0.33	5
Individualized Consideration	3.75	3.75	0.18	5
Transformational Leadership Score	3.56	3.50	0.33	5
Contingent Reward	0.00	0.00	0.00	0
Management-by-exception (active)	0.00	0.00	0.00	0
Transactional Leadership Score	0.00	0.00	0.00	0
Real estate (*n* = 23)				
Inspirational Motivation	3.42	3.50	0.52	23
Idealized Influence (attributed)	3.30	3.25	0.41	23
Idealized Influence (behavior)	3.29	3.25	0.49	23
Intellectual Stimulation	2.97	3.00	0.59	23
Individualized Consideration	3.37	3.25	0.41	23
Transformational Leadership Score	3.27	3.15	0.36	23
Contingent Reward	0.00	0.00	0.00	0
Management-by-exception (active)	0.00	0.00	0.00	0
Transactional Leadership Score	0.00	0.00	0.00	0
Profession and/or technical services (*n* = 104)				
Inspirational Motivation	3.42	3.50	0.52	98
Idealized Influence (attributed)	3.27	3.25	0.47	98
Idealized Influence (behavior)	3.37	3.25	0.45	98
Intellectual Stimulation	3.23	3.25	0.48	98
Individualized Consideration	3.30	3.25	0.51	98
Transformational Leadership Score	3.32	3.35	0.33	98
Contingent Reward	3.33	3.38	0.74	6
Management-by-exception (active)	3.13	3.13	0.88	6
Transactional Leadership Score	3.23	3.25	0.76	6
Administrative and/or support services (*n* = 7)				
Inspirational Motivation	3.20	3.25	0.54	5
Idealized Influence (attributed)	2.95	3.25	0.69	5
Idealized Influence (behavior)	3.35	3.25	0.29	5
Intellectual Stimulation	3.30	3.25	0.21	5
Individualized Consideration	3.20	3.25	0.27	5
Transformational Leadership Score	3.20	3.10	0.29	5
Contingent Reward	3.75	3.75	0.35	2
Management-by-exception (active)	2.88	2.88	1.24	2
Transactional Leadership Score	3.31	3.31	0.44	2
Educational services (*n* = 8)				
Inspirational Motivation	3.50	3.75	0.61	8
Idealized Influence (attributed)	3.47	3.50	0.60	8

Table 19 (*continued*)

Idealized Influence (behavior)	3.69	3.75	0.37	8
Intellectual Stimulation	3.19	3.25	0.50	8
Individualized Consideration	3.59	3.63	0.35	8
Transformational Leadership Score	3.49	3.60	0.33	8
Contingent Reward	0.00	0.00	0.00	0
Management-by-exception (active)	0.00	0.00	0.00	0
Transactional Leadership Score	0.00	0.00	0.00	0
Healthcare and/or social services (*n* = 30)				
Inspirational Motivation	3.39	3.50	0.40	30
Idealized Influence (attributed)	3.40	3.50	0.39	30
Idealized Influence (behavior)	3.45	3.50	0.48	30
Intellectual Stimulation	3.03	3.00	0.53	30
Individualized Consideration	3.35	3.25	0.50	30
Transformational Leadership Score	3.32	3.30	0.33	30
Contingent Reward	0.00	0.00	0.00	0
Management-by-exception (active)	0.00	0.00	0.00	0
Transactional Leadership Score	0.00	0.00	0.00	0
Arts and/or recreation (*n* = 2)				
Inspirational Motivation	3.63	3.63	0.53	2
Idealized Influence (attributed)	3.50	3.50	0.00	2
Idealized Influence (behavior)	3.38	3.38	0.88	2
Intellectual Stimulation	3.88	3.88	0.18	2
Individualized Consideration	3.50	3.50	0.35	2
Transformational Leadership Score	3.58	3.58	0.25	2
Contingent Reward	0.00	0.00	0.00	0
Management-by-exception (active)	0.00	0.00	0.00	0
Transactional Leadership Score	0.00	0.00	0.00	0
Accommodations (*n* = 3)				
Inspirational Motivation	3.50	3.50	0.71	2
Idealized Influence (attributed)	3.50	3.50	0.71	2
Idealized Influence (behavior)	4.00	4.00	0.00	2
Intellectual Stimulation	2.75	2.75	0.35	2
Individualized Consideration	3.63	3.63	0.53	2
Transformational Leadership Score	3.48	3.48	0.46	2
Contingent Reward	3.75	3.75	0.00	1
Management-by-exception (active)	2.50	2.50	0.00	1
Transactional Leadership Score	3.13	3.13	0.00	1
Other (*n* = 76)				
Inspirational Motivation	3.51	3.50	0.42	69
Idealized Influence (attributed)	3.37	3.38	0.40	69
Idealized Influence (behavior)	3.57	3.63	0.43	69
Intellectual Stimulation	3.23	3.25	0.49	69
Individualized Consideration	3.42	3.50	0.47	69
Transformational Leadership Score	3.42	3.45	0.30	69
Contingent Reward	3.46	3.50	0.57	7
Management-by-exception (active)	3.32	3.50	0.77	7
Transactional Leadership Score	3.36	3.63	0.63	7

Descriptive statistics were analyzed for the role in business held by each participant and the dominant transformational or transactional leadership styles of participants. Forty-one CEOs/Presidents, 190 owner-founders, 75 owner-buyers, and nine owners had a transformational leadership style. For CEOs/Presidents with a transformational leadership style (M = 3.38, SD = 0.29), idealized influence (behavior; M = 3.49, SD = 0.36) had a higher mean score than inspirational motivation (M = 3.47, SD = 0.45), individualized consideration (M = 3.35, SD = 0.40), intellectual stimulation (M = 3.31, SD = 0.46), and idealized influence (attributed; M = 3.26, SD = 0.44). For owner-founders with a transformational leadership style (M = 3.37, SD = 0.33), inspirational motivation (M = 3.48, SD = 0.45) had a higher mean score than idealized influence (behavior; M = 3.45, SD = 0.48), individualized consideration (M = 3.40, SD = 0.49), idealized influence (attributed; M = 3.36, SD = 0.43), and intellectual stimulation (M = 3.18, SD = 0.53). For owner-buyers with a transformational leadership style (M = 3.25, SD = 0.33), idealized influence (behavior; M = 3.35, SD = 0.49) had a higher mean score than individualized consideration (M = 3.32, SD = 0.46), inspirational motivation (M = 3.32, SD = 0.52), idealized influence (attributed; M = 3.20, SD = 0.48), and intellectual stimulation (M = 3.07, SD = 0.50). For owners with a transformational leadership style (M = 3.33, SD = 0.44), individualized consideration (M = 3.39, SD = 0.50) and inspirational motivation (M = 3.39, SD = 0.56) had higher mean scores than idealized influence (behavior; M = 3.33, SD = 0.50), idealized influence (attributed; M = 3.28, SD = 0.51), and intellectual stimulation (M = 3.25, SD = 0.57). Two CEOs/Presidents, 15 owner-founders, and three owner-buyers had a transactional leadership style. Contingent reward (M = 3.75, SD = 0.35) had a higher mean score than management-by-exception (active; M = 3.38, SD = 0.88) for the two CEOs/Presidents with a transactional leadership style (M = 3.56, SD = 0.62). Contingent reward (M = 3.53, SD = 0.44) had a higher

mean score than management-by-exception (active; *M* = 3.17, *SD* = 0.73) for the 15 owner-founders with a transactional leadership style (*M* = 3.35, *SD* = 0.50), and contingent reward (*M* = 3.08, *SD* = 0.95) also had a higher mean score than management-by-exception (active; *M* = 2.83, *SD* = 0.80) for the three owner-buyers with a transactional leadership style (*M* = 2.96, *SD* = 0.76). Table 20 includes the descriptive statistics for each of the transformational and transactional leadership style factors, which is categorized by the role held by participants.

Participants were asked whether or not their products and services in their business had diversified since 2008. One hundred sixty-four participants with a transformational leadership style indicated that their products and services had diversified, and 124 participants with a transformational leadership style indicated that their products and services had not diversified (*n* = 303). For the 164 participants with a transformational leadership style and business diversification (*M* = 3.38, *SD* = 0.34), idealized influence (behavior; *M* = 3.50, *SD* = 0.44) had a higher mean score than inspirational motivation (*M* = 3.45, *SD* = 0.48), individualized consideration (*M* = 3.40, *SD* = 0.47), idealized influence (attributed; *M* = 3.30, *SD* = 0.44), and intellectual stimulation (*M* = 3.22, *SD* = 0.49). For the 124 participants with a transformational leadership style with no business diversification (*M* = 3.29, *SD* = 0.31), inspirational motivation (*M* = 3.39, *SD* = 0.48) had a higher mean score than idealized influence (behavior; *M* = 3.34, *SD* = 0.48), individualized consideration (*M* = 3.33, *SD* = 0.47), idealized influence (attributed; *M* = 3.28, *SD* = 0.46), and intellectual stimulation (*M* = 3.10, *SD* = 0.55). Ten participants with a transactional leadership style (*M* = 3.54, *SD* = 0.37) indicated that their products and services had diversified, while nine participants with a transactional leadership style (*M* = 2.99, *SD* = 0.55) indicated that their products and services had not diversified. For the 10 participants with a transactional leadership style and business diversification, contingent reward (*M* = 3.60, *SD* =

Table 20

Full Range Leadership Model Leadership Dominant Style Scores by Role in Business (n = 335)

	Descriptive Statistics	*M*	*Mdn*	*SD*	Number
Role in Business					
	CEO/ Presidents (*n* = 43)				
	Inspirational Motivation	3.47	3.50	0.45	41
	Idealized Influence (attributed)	3.26	3.25	0.44	41
	Idealized Influence (behavior)	3.49	3.50	0.36	41
	Intellectual Stimulation	3.31	3.25	0.46	41
	Individualized Consideration	3.35	3.25	0.40	41
	Transformational Leadership Score	3.38	3.35	0.29	41
	Contingent Reward	3.75	3.75	0.35	2
	Management-by-exception (active)	3.38	3.38	0.88	2
	Transactional Leadership Score	3.56	3.56	0.62	2
	Owner-Founder (*n* = 205)				
	Inspirational Motivation	3.48	3.50	0.45	190
	Idealized Influence (attributed)	3.36	3.50	0.43	190
	Idealized Influence (behavior)	3.45	3.50	0.48	190
	Intellectual Stimulation	3.18	3.25	0.53	190
	Individualized Consideration	3.40	3.50	0.49	190
	Transformational Leadership Score	3.37	3.40	0.33	190
	Contingent Reward	3.53	3.50	0.44	15
	Management-by-exception (active)	3.17	3.25	0.73	15
	Transactional Leadership Score	3.35	3.38	0.50	15
	Owner-Buyer (*n* = 78)				
	Inspirational Motivation	3.32	3.50	0.52	75
	Idealized Influence (attributed)	3.20	3.25	0.48	75
	Idealized Influence (behavior)	3.35	3.25	0.49	75
	Intellectual Stimulation	3.07	3.00	0.50	75
	Individualized Consideration	3.32	3.50	0.46	75
	Transformational Leadership Score	3.25	3.25	0.33	75
	Contingent Reward	3.08	3.50	0.95	3
	Management-by-exception (active)	2.83	2.50	0.80	3
	Transactional Leadership Score	2.96	3.13	0.76	3
	Owner (*n* = 9)				
	Inspirational Motivation	3.39	3.50	0.56	9
	Idealized Influence (attributed)	3.28	3.25	0.51	9
	Idealized Influence (behavior)	3.33	3.25	0.50	9
	Intellectual Stimulation	3.25	3.50	0.57	9
	Individualized Consideration	3.39	3.50	0.50	9
	Transformational Leadership Score	3.33	3.25	0.44	9
	Contingent Reward	0.00	0.00	0.00	0
	Management-by-exception (active)	0.00	0.00	0.00	0
	Transactional Leadership Score	0.00	0.00	0.00	0

0.27) had a higher mean score than management-by-exception (active; *M* = 3.48, *SD* = 0.56). For the nine participants with a transactional leadership style and no business diversification, contingent reward (*M* = 3.31, *SD* = 0.70) had a higher mean score than management-by-exception (active; *M* = 2.67, *SD* = 0.64). Ten participants with a transformational leadership style (*M* = 3.47, *SD* = 0.31), and one participant with a transactional leadership style (*M* = 4.00, *SD* = 0.00), indicated that their business had diversified somewhat and comprise the "other" category. Table 21 includes the descriptive statistics for each of the transformational and transactional leadership style factors, which is categorized by whether or not the business had diversification of its product and services.

Three hundred businesses had been operating for five years or longer. Two hundred and eighty-nine participants with a dominant transformational leadership style (*M* = 3.12, *SD* = 0.84) and 11 participants with a dominant transactional leadership style (*M* = 3.36, *SD* = 0.49) had been operating their business for five years or longer. Table 22 details the dominant leadership style based on the MLQ by businesses that have been operating for five years or longer.

The combination of leadership styles examined in RQ_2 was also used to determine the frequency of the combination of leadership styles including transformational/entrepreneurial leadership, transactional/entrepreneurial leadership, transformational, and transactional leadership. Three hundred and thirty-five participants had complete data for the gender, industry, education, and role in business. Five male (1.49%) and three female (0.90%) participants had a transformational leadership style, while one male (0.30%) participant had a transactional leadership style. Two hundred and thirty-four male participants (69.85%), 70 female participants (20.90%), and three participants (0.90%) who did not elect to report their

Table 21

Full Range Leadership Model Leadership Dominant Style Scores by Diversification of Services (n = 315)

	Descriptive Statistics	*M*	*Mdn*	*SD*	Number
Diversification of Products and Services					
	Yes (*n* = 174)				
	Inspirational Motivation	3.45	3.50	0.48	164
	Idealized Influence (attributed)	3.30	3.25	0.44	164
	Idealized Influence (behavior)	3.50	3.50	0.44	164
	Intellectual Stimulation	3.22	3.25	0.49	164
	Individualized Consideration	3.40	3.50	0.47	164
	Transformational Leadership Score	3.38	3.40	0.34	164
	Contingent Reward	3.60	3.50	0.27	10
	Management-by-exception (active)	3.48	3.63	0.56	10
	Transactional Leadership Score	3.54	3.63	0.37	10
	No (*n* = 133)				
	Inspirational Motivation	3.39	3.50	0.48	124
	Idealized Influence (attributed)	3.28	3.00	0.46	124
	Idealized Influence (behavior)	3.34	3.25	0.48	124
	Intellectual Stimulation	3.10	3.00	0.55	124
	Individualized Consideration	3.33	3.50	0.47	124
	Transformational Leadership Score	3.29	3.30	0.31	124
	Contingent Reward	3.31	3.50	0.70	9
	Management-by-exception (active)	2.67	2.50	0.64	9
	Transactional Leadership Score	2.99	3.13	0.55	9
	Other (*n* = 8)				
	Inspirational Motivation	3.46	3.25	0.51	7
	Idealized Influence (attributed)	3.54	3.50	0.44	7
	Idealized Influence (behavior)	3.46	3.50	0.49	7
	Intellectual Stimulation	3.39	3.50	0.38	7
	Individualized Consideration	3.50	3.50	0.32	7
	Transformational Leadership Score	3.47	3.60	0.31	7
	Contingent Reward	4.00	4.00	0.00	1
	Management-by-exception (active)	4.00	4.00	0.00	1
	Transactional Leadership Score	4.00	4.00	0.00	1

Note. The sample was smaller for this analysis due to only 315 participants responding to this survey question.

Table 22

Full Range Leadership Model Leadership Dominant Style Scores in Business Five Years or Longer (n = 300)

Descriptive Statistics	*M*	*Mdn*	*SD*	Number
Transformational leadership in business five years or longer	3.12	3.25	0.84	289
Transactional leadership in business five years or longer	3.36	3.38	0.49	11

Note. The sample was smaller for this analysis due to examining businesses that had been operating for five years or more at the time of this study.

gender, had a transformational and entrepreneurial leadership style. Nineteen male participants (5.67%) had a transactional and entrepreneurial leadership style. A transformational and entrepreneurial leadership style was characteristic of 124 participants with a bachelor's degree (37.01%), 63 participants with a high school diploma or equivalency (18.81%), 42 participants with an associate degree, junior college, or trade school (12.54%), 37 participants with a master's degree (10.91%), 40 participants with a doctoral or professional degree (11.04%), three participants with no diploma (0.90%), and three participants who did not elect to report (0.90%). A transformational leadership style was characteristic of three participants with a bachelor's degree (0.90%), two participants with an associate degree, junior college, or trade school (0.60%), two participants with a doctoral or professional degree (0.60%), and one participant with a high school diploma or equivalency (0.30%). A transactional and entrepreneurial leadership style was characteristic of six participants with a bachelor's degree (1.79%), six participants with a high school diploma or equivalency (1.79%), four participants with an associate degree, junior college, or trade school (1.19%), and three participants with a master's degree (0.90%). A transactional leadership style was characteristic of one participant with an associate degree, junior college, or trade school (0.30%).

A transformational leadership style was also characteristic of two participants with businesses in the other industry category (0.60%), one participant with businesses in professional and/or technical services (0.30%), two participants with businesses in real estate (0.60%), one participant with businesses in retail trades (0.30%), one participants with businesses in manufacturing (0.30%), and one participant with a business in wholesale trades (0.30%). A transactional leadership style was characteristic of one participant with a business in professional and/or technical services (0.30%). A transformational and entrepreneurial leadership style was characteristic of 97 participants with businesses in professional and/or technical services (28.96%), 67 participants with businesses in the other industry category (20.00%), 50 participants with businesses in retail trades (14.93%), 30 participants with businesses in healthcare and/or social services (8.96%), 21 participants with businesses in real estate (6.27%), 14 participants with businesses in manufacturing (4.18%), eight participants with businesses in educational services (2.39%), six participants with businesses in wholesale trades (1.79%), five participants with businesses in information trades (1.49%), five participants with businesses in administrative and/or support services (1.49%), two participants with businesses in arts and/or recreation (0.60%), and two participants with businesses in accommodations (0.60%).

A transactional and entrepreneurial leadership style was characteristic of seven participants with businesses in the other industry category (2.09%), five participants with businesses in professional and/or technical services (1.49%), three participants with businesses in retail trades (0.90%), two participants with businesses in administrative and/or support services (0.60%), one participant with a business in manufacturing (0.30%), one participant with a business in real estate (0.30%), and one participant with a business in accommodations (0.30%).

Frequencies for the role held in the business were also analyzed. Four owner-buyers (1.19%), three owner-founders (0.90%), and one CEOs/Presidents (0.30%) had a transformational leadership style. One owner-buyer (0.30%) had a transactional leadership style. One hundred an eighty-seven owner-founders (55.82%), 71 owner-buyers (21.19%), 40 CEOs/Presidents (11.94%), and nine owners (2.69%) had a transformational and entrepreneurial leadership style. Fifteen owner-founders (4.48%), two CEOs/Presidents (0.60%), and two owner-buyers (0.60%) had a transactional and entrepreneurial leadership style.

Three hundred and fifteen participants answered the survey question about the diversification of their products and services as a business since 2008. Representing 0.95% of the sample, three participants with a transformational leadership style indicated that their products and services had diversified since 2008; however, five participants with a transformational leadership style (1.59%) indicated that their products and services had not diversified since 2008. One participant with a transactional leadership style (0.32%) indicated that their products and services had not diversified since 2008. Representing 51.11% of the sample, 161 participants with a transformational and entrepreneurial leadership style indicated that their products and services had diversified since 2008; however, 119 participants with a transformational and entrepreneurial leadership style (37.78%) indicated that their products and services had not diversified since 2008. Ten participants with a transactional leadership style (3.17%) indicated that their products and services had diversified since 2008, but eight participants with a transactional leadership style (2.54%) indicated that their products and services had not diversified since 2008. Finally, seven participants with a transformational and entrepreneurial leadership style (2.22%) and one participant with a transactional and entrepreneurial leadership style (0.32%) indicated that their products had somewhat diversified,

representing the “other” category. Table 23 details the numbers and percentages of these leadership styles, which is categorized by gender, education level, industry, role in business, and diversification of products and services.

Descriptive statistics were also analyzed for the variables of years of operation, the number of employees at founding, the number of current employees, profitability for current year, and profitability over five years. Years of operation consisted of 334 participants, and the leadership styles included 307 participants with a transformational/entrepreneurial leadership style (M = 21.16, SD = 20.55), 18 participants with a transactional/entrepreneurial leadership style (M = 24.61, SD = 33.30), eight participants with a transformational leadership style (M = 28.13, SD = 11.83), and one participant with a transactional leadership style (M = 81.00, SD = 0.00). The number of employees at business founding consisted of 330 participants, and the leadership styles included 302 participants with a transformational/entrepreneurial leadership style (M = 4.78, SD = 13.11), 19 participants with a transactional/entrepreneurial leadership style (M = 6.05, SD = 14.66), eight participants with a transformational leadership style (M = 2.25, SD = 1.58), and one participant with a transactional leadership style (M = 3.00, SD = 0.00). Number of current employees consisted of 335 participants, and the leadership styles included 307 participants with a transformational/entrepreneurial leadership style (M = 99.42, SD = 588.27), 19 participants with a transactional/entrepreneurial leadership style (M = 54.63, SD = 109.58), eight participants with a transformational leadership style (M = 8.75, SD = 9.47), and one participant with a transactional leadership style (M = 2.00, SD = 0.00).

Profitability for current year consisted of 290 participants, and the leadership styles included 266 participants with a transformational/entrepreneurial leadership style (M = 28.09, SD = 59.46), 17 participants with a transactional/entrepreneurial leadership style (M = 28.17, SD =

Table 23

Frequencies of the Combination of Leadership Styles and Demographic Variables

		Transformational Leadership Number (Percentage)	Transactional Leadership Number (Percentage)	Transformational/ Entrepreneurial Number (Percentage)	Transactional/ Entrepreneurial Number (Percentage)	Total Number (Percentage)
Gender (*n* = 335)	Male	5 (1.49%)	1 (0.30%)	234 (69.85%)	19 (5.67%)	259 (77.31%)
	Female	3 (0.90%)	0 (0.00%)	70 (20.90%)	0 (0.00%)	73 (21.79%)
	Do not elect to report	0 (0.00%)	0 (0.00%)	3 (0.90%)	0 (0.00%)	3 (0.90%)
	Total	8 (2.39%)	1 (0.30%)	307 (91.64%)	19 (5.67%)	335 (100.00%)
Education Level (*n* = 335)	No diploma	0 (0.00%)	0 (0.00%)	3 (0.90%)	0 (0.00%)	3 (0.90%)
	High school diploma or equivalency	1 (0.30%)	0 (0.00%)	63 (18.81%)	6 (1.79%)	70 (20.90%)
	Associate degree, junior college, or trade school	2 (0.60%)	1 (0.30%)	42 (12.54%)	4 (1.19%)	49 (14.63%)
	Bachelor's degree	3 (0.90%)	0 (0.00%)	124 (37.01%)	6 (1.79%)	133 (39.70%)
	Master's degree	0 (0.00%)	0 (0.00%)	37 (11.04%)	3 (0.90%)	40 (11.94%)
	Doctoral or professional degree	2 (0.60%)	0 (0.00%)	35 (10.45%)	0 (0.00%)	37 (11.04%)
	Do not elect to report	0 (0.00%)	0 (0.00%)	3 (0.90%)	0 (0.00%)	3 (0.90%)
	Total	8 (2.39%)	1 (0.30%)	307 (91.64%)	19 (5.67%)	335 (100.00%)
Industry (*n* = 335)	Manufacturing	1 (0.30%)	0 (0.00%)	14 (4.18%)	1 (0.30%)	16 (4.78%)
	Wholesale trades	1 (0.30%)	0 (0.00%)	6 (1.79%)	0 (0.00%)	6 (1.79%)
	Retail trades	1 (0.30%)	0 (0.00%)	50 (14.93%)	3 (0.90%)	54 (16.12%)
	Information trades	0 (0.00%)	0 (0.00%)	5 (1.49%)	0 (0.00%)	5 (1.49%)
	Real estate	2 (0.60%)	0 (0.00%)	21 (6.27%)	0 (0.00%)	23 (6.87%)
	Profession and/or technical services	1 (0.30%)	1 (0.30%)	97 (28.96%)	5 (1.49%)	104 (31.04%)

Table 23 (*continued*)

	Administrative and/or support services	0 (0.00%)	0 (0.00%)	5 (1.49%)	2 (0.60%)	7 (2.09%)
	Educational services	0 (0.00%)	0 (0.00%)	8 (2.39%)	0 (0.00%)	8 (2.39%)
	Healthcare and/or social services	0 (0.00%)	0 (0.00%)	30 (8.96%)	0 (0.00%)	30 (8.96%)
	Arts and/or recreation	0 (0.00%)	0 (0.00%)	2 (0.60%)	0 (0.00%)	2 (0.60%)
	Accommodations	0 (0.00%)	0 (0.00%)	2 (0.60%)	1 (0.30%)	3 (0.90%)
	Other	2 (0.60%)	0 (0.00%)	67 (20.00%)	7 (2.09%)	76 (22.69%)
	Total	8 (2.39%)	1 (0.30%)	307 (91.64%)	19 (5.67%)	335 (100.00%)
Role in Business (n = 335)	CEO/Presidents	1 (0.30%)	0 (0.00%)	40 (11.94%)	2 (0.60%)	43 (12.84%)
	Owner-Founder	3 (0.90%)	0 (0.00%)	187 (55.82%)	15 (4.48%)	205 (61.19%)
	Owner-Buyer	4 (1.19%)	1 (0.30%)	71 (21.19%)	2 (0.60%)	78 (23.28%)
	Owner	0 (0.00%)	0 (0.00%)	9 (2.69%)	0 (0.00%)	9 (2.69%)
	Total	8 (2.39%)	1 (0.30%)	307 (91.64%)	19 (5.67%)	335 (100.00%)
Diversification of Products and Services (n = 315)	Yes	3 (0.95%)	0 (0.00%)	161 (51.11%)	10 (3.17%)	174 (55.24%)
	No	5 (1.59%)	1 (0.32%)	119 (37.78%)	8 (2.54%)	133 (42.22%)
	Other	0 (0.00%)	0 (0.00%)	7 (2.22%)	1 (0.32%)	8 (2.54%)
	Total	8 (2.54%)	1 (0.32%)	287 (91.11%)	20 (6.35%)	315 (100.00%)

29.76), and seven participants with a transformational leadership style (M = 20.43, SD = 20.94). Profitability over five years consisted of 276 participants, and the leadership styles included 253 participants with a transformational/entrepreneurial leadership style (M = 65.19, SD = 292.30), 15 participants with a transactional/entrepreneurial leadership style (M = 23.09, SD = 21.94), and eight participants with a transformational leadership style (M = 34.63, SD = 26.58). Table 24 details the descriptive statistics for these variables.

Table 24

Descriptive Statistics for the Combination of Leadership Styles

Business Characteristics	Leadership Style	*n*	*M*	*SD*
Years of Operation (*n* = 334)				
	Transformational Leadership	8	28.13	11.83
	Transactional Leadership	1	81.00	0.00
	Transformational/Entrepreneurial Leadership	307	21.16	20.55
	Transactional/Entrepreneurial Leadership	18	24.61	33.30
Number of Employees at Founding (*n* = 330)				
	Transformational Leadership	8	2.25	1.58
	Transactional Leadership	1	3.00	0.00
	Transformational/Entrepreneurial Leadership	302	4.78	13.11
	Transactional/Entrepreneurial Leadership	19	6.05	14.66
Number of Current Employees (*n* = 335)				
	Transformational Leadership	8	8.75	9.47
	Transactional Leadership	1	2.00	0.00
	Transformational/Entrepreneurial Leadership	307	99.42	588.27
	Transactional/Entrepreneurial Leadership	19	54.63	109.58
Profitability over 1 year (*n* = 290)				
	Transformational Leadership	7	20.43	20.94
	Transactional Leadership	0	0.00	0.00
	Transformational/Entrepreneurial Leadership	266	28.09	59.46
	Transactional/Entrepreneurial Leadership	17	28.17	29.76
Profitability over 5 years (*n* = 276)				
	Transformational Leadership	8	34.63	26.58
	Transactional Leadership	0	0.00	0.00
	Transformational/Entrepreneurial Leadership	253	65.19	292.30
	Transactional/Entrepreneurial Leadership	15	23.09	21.94

Note. Not all 335 participants responded to all survey questions, hence the differences in *n* for each question in this table.

Multivariate Analysis of Variance (MANOVA) was used to determine the mean difference between leadership styles, gender, education level, industry, and role in business on years in operation, current year profitability, profitability over five years, and the difference in number of employees since founding. Transformational and entrepreneurial leadership style, transactional and entrepreneurial leadership style, and transformational leadership style represented the leadership styles. Transactional leadership was considered an outlier as it only had one case. It was not used in the MANOVA. The independent variables in this MANOVA were leadership styles, gender, education level, industry, and role in business. The dependent variables were years in operation, current year profitability, profitability over five years, and difference in number of employees since founding. The results indicated that there was a statistically significant effect of role in business, $F(12, 349.531) = 1.983$, $p = .025$, Wilks' $\Lambda = .840$, partial $\eta^2 = .056$; and gender, $F(4, 132) = 2.743$, $p = .031$, Wilks' $\Lambda = .923$, partial $\eta^2 = .077$ on the combined dependent variables. There was also a statistically significant interaction effect between education level, industry, and role in business on the combined dependent variables, $F(40, 502.384) = 1.440$, $p = .043$, Wilks' $\Lambda = .663$, partial $\eta^2 = .098$.

Results from the MANOVA also indicated that there was not a statistically significant effect of leadership styles, $F(8, 264) = .933$, $p = .490$, Wilks' $\Lambda = .946$, partial $\eta^2 = .027$; education level, $F(28, 477.355) = .632$, $p = .930$, Wilks' $\Lambda = .877$, partial $\eta^2 = .032$; industry, $F(52, 513.345) = .598$, $p = .988$, Wilks' $\Lambda = .796$, partial $\eta^2 = .055$ on the combined dependent variables. There was also not a statistically significant interaction effect between leadership styles and education, $F(12, 349.531) = .477$, $p = .943$, Wilks' $\Lambda = .961$, partial $\eta^2 = .013$; leadership styles and industry, $F(8, 264) = .168$, $p = .995$, Wilks' $\Lambda = .990$, partial $\eta^2 = .005$; leadership styles and role in business, $F(4, 132) = .810$, $p = .521$, Wilks' $\Lambda = .976$, partial $\eta^2 =$

.024; education and gender, $F(16, 403.904) = .244$, $p = .999$, Wilks' $\Lambda = .971$, partial $\eta^2 = .007$; education and role in business, $F(32, 488.387) = 1.404$, $p = .073$, Wilks' $\Lambda = .723$, partial $\eta^2 = .078$; industry and role in business, $F(48, 510.516) = 1.058$, $p = .372$, Wilks' $\Lambda = .694$, partial $\eta^2 = .087$; industry and gender, $F(24, 461.703) = .362$, $p = .998$, Wilks' $\Lambda = .937$, partial $\eta^2 = .016$; role in business and gender, $F(8, 264) = .375$, $p = .933$, Wilks' $\Lambda = .978$, partial $\eta^2 = .011$; leadership styles, education, and industry, $F(8, 264) = .725$, $p = .669$, Wilks' $\Lambda = .957$, partial $\eta^2 = .022$; education, industry, and gender, $F(24, 461.703) = .381$, $p = .997$, Wilks' $\Lambda = .934$, partial $\eta^2 = .017$; and industry, role in business, and gender, $F(4, 132) = .209$, $p = .933$, Wilks' $\Lambda = .994$, partial $\eta^2 = .006$; on the combined dependent variables. Table 25 details the results from the MANOVA.

Table 25

MANOVA of Business and Demographic Variables on the Combined Dependent Variables

Effect	Λ	F	df_1	df_2	p	Partial η^2
Leadership styles	.946	.933	8	264	.490	.027
Gender	.923	2.743	4	132	.031*	.077
Education	.877	.632	28	477.355	.930	.032
Industry	.796	.598	52	513.345	.988	.055
Role in Business	.840	1.983	12	349.531	.025*	.056
Leadership styles x Education	.961	.447	12	349.531	.943	.013
Leadership styles x Industry	.990	.168	8	264	.995	.005
Leadership styles x Role in Business	.976	.810	4	132	.521	.024
Education x Gender	.971	.244	16	403.904	.999	.007
Education x Industry	.661	.629	92	524.968	.997	.098
Education x Role in Business	.723	1.404	32	488.387	.073	.078
Industry x Role in Business	.694	1.058	48	510.516	.372	.087
Industry x Gender	.937	.362	24	461.703	.998	.016
Role in Business x Gender	.978	.375	8	264	.933	.011
Leadership styles x Education x Industry	.957	.725	8	264	.669	.022
Education x Industry x Role in Business	.663	1.440	40	502.384	.043*	.098
Education x Industry x Gender	.934	.381	24	461.703	.997	.017
Industry x Role in Business x Gender	.994	.209	4	132	.933	.006

Note. * = statistical significance at $p = .05$, representing the 95% confidence interval.

For each of the statistically significant variables, a separate ANOVA was conducted to determine how the independent variables affected each dependent variable as follow-up tests to the MANOVA. Gender, role in business, and the combination of education level, industry, and role in business were examined. The results form the univariate analysis for gender on the differences in the number of employees since founding was $F(1) = 4.953$, $p = .028$, partial $\eta^2 = .035$; on profitability over one year, $F(1) = .499$, $p = .481$, partial $\eta^2 = .004$; on profitability over five years, $F(1) = .140$, $p = .709$, partial $\eta^2 = .001$; on years of operation, $F(1) = 2.695$, $p = .103$, partial $\eta^2 = .020$.

The results from the univariate analysis for role in business on years of operation was $F(3) = 6.269$, $p = .001$, partial $\eta^2 = .122$; on profitability over one year, $F(3) = .470$, $p = .704$, partial $\eta^2 = .010$; on profitability over five years, $F(3) = .045$, $p = .987$, partial $\eta^2 = .001$; on differences in the number of employees since founding, $F(3) = 1.300$, $p = .277$, partial $\eta^2 = .028$. The results from the univariate analysis for education level, industry, and position on differences in the number of employees since founding was $F(10) = 2.312$, $p = .015$, partial $\eta^2 = .146$; on profitability over one year, $F(10) = .454$, $p = .916$, partial $\eta^2 = .033$; on profitability over five years, $F(10) = 1.180$, $p = .310$, partial $\eta^2 = .080$; on years of operation, $F(10) = 1.372$, $p = .200$, partial $\eta^2 = .092$. Post-hoc analyses using Tukey's HSD on role in business indicated that owner-founders ($M = 14.064$, $SD = 9.924$, $p < .001$) had a significantly lower years of operation for their businesses compared to owner-buyers ($M = 31.221$, $SD = 26.404$, $p < .001$) and CEO/Presidents ($M = 39.744$, $SD = 31.3301$, $p < .001$). Furthermore, owners who did not differentiate their role in the business ($M = 20.333$, $SD = 17.930$, $p < .027$) had significantly lower years of operation for their business compared to CEO/Presidents.

Summary

The purpose of this study was to examine the effect of entrepreneurs' leadership styles as it relates to business success. A survey was administered to the selected population in order to further examine this issue. The study sought to answer research questions related to the relationship between leadership styles and business success. The data analysis included 335 CEOs/Presidents, owner-founders, owner-buyers, and owners who participated by completing either an online or paper survey about their business and leadership behaviors. The findings from this survey were detailed in Chapter IV.

The MLQ Form 5X-Short, representing Questions 1 through 45 on the leadership styles survey, measured the leadership styles associated with the Full Range Leadership Model. The results from RQ_1, which addressed the dominant Full Range Leadership Model leadership of entrepreneurs, indicated that transformational leadership was the dominant style of participants. Three hundred and fifteen participants (94.03%) had a dominant transformational leadership style, while 20 participants (5.97%) had a dominant transactional leadership style from the analysis (n = 335). The mean score of transformational leaders was 3.34 with a standard deviation of 0.33, and the mean score of transactional leaders was 3.31 with a standard deviation of 0.54. The five factors of transformational leadership were analyzed, and idealized influence (behavior; M = 3.43, SD = 0.47) and inspirational motivation (M = 3.43, SD = 0.48) were the highest scored factors by participants with a dominant transformational leadership style over individualized consideration (M = 3.38, SD = 0.47), idealized influence (attributed; M = 3.31, SD = 0.45), and intellectual stimulation (M = 3.17, SD = 0.52). The two factors of transactional leadership were analyzed, and the mean score for contingent reward (M = 3.49, SD = 0.53) was

greater than the mean score of management-by-exception (active; $M = 3.14$, $SD = 0.72$) for participants with a dominant transactional leadership style.

The results from RQ_2, which examined the relationship of transformational and transactional leadership with the entrepreneurial leadership style, indicated that the combination of transformational and entrepreneurial leadership styles was the most prevalent among participants (91.64%), but the chi-square analysis did not result in a statistically significant association between transformational, transactional, entrepreneurial, and non-entrepreneurial leadership styles. RQ_3 required analyses to determine the relationships between the participants' leadership styles and the demographic and business data. Chi-square was used to analyze the relationship between leadership styles and the categorical variables of gender, industry, education, and role in business. The results from RQ_3 indicated that there was a statistically significant relationship between gender and leadership styles. The results from RQ_4 provided separate analyses of the frequency of the dominant transformational or transactional leadership styles of participants for the MLQ Form 5X-Short and the combination of leadership styles, which were both categorized by gender, education level, industry type, years of operation, the number of employees at business founding, the number of current employees at business, current role in business, and profitability. MANOVA was performed to determine the effect of the combination of leadership styles, gender, industry, education, and role in business on the success factors of years of operation, the change in the number of employees since founding, profitability for current year, and profitability over five years. The results from the MANOVA indicated that there was a statistically significant effect of gender and role in business on the combined dependent variables. There was also a statistically significant interaction effect between education, industry, and role in business on the combined dependent variables. Post-hoc

analyses were used to follow-up the MANOVA. Chapter V will provide a summary of this study and conclusions based on the findings. Chapter V will also include recommendations for future research.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

This study examined the relationship of leadership styles to business success. Four research questions were identified examining the effects of the Full Range Leadership Model leadership styles and entrepreneurial leadership style on business success. This chapter presents a summary of the study, detailing the purpose of this study, the research questions, limitations, data collection, and data analyses. Conclusions based on the findings are described following the summary. Based on the findings and conclusions, recommendations for implementation of the study findings and future research are detailed.

Summary

The problem of this study was to address a gap in the knowledge of transformational, transactional, and laissez-faire leadership styles in combination with the entrepreneurial leadership style leading to successful entrepreneurial organizations. To solve this problem, this study described the relationship between leadership styles of entrepreneurs as mediated by the variables of gender, education level, industry type, and role in business with the success factors of business longevity, profitability, and number of employees. Four research questions guided this qualitative study.

RQ_1: Which of the Full Range Leadership Model leadership styles is dominant of entrepreneurs who sustain organizations?

RQ_2: Which of the Full Range Leadership Model leadership styles is more prevalent in the identification of leaders who also exhibit an entrepreneurial leadership style?

RQ_3: How do leaders with various combinations of leadership styles relate to the variables of gender, education, industry type, and role in business?

RQ_4: How do various combinations of leadership styles, gender, education, industry type, and role in business relate to the success factors of years of operation, profitability, and the difference in the number of employees?

This study is significant to research in leadership because it translates leadership theory to the context of entrepreneurs. This study also described the relationship between leadership styles of entrepreneurs and their relationship to the variables of gender, education level, industry type, years of operation, the number of employees at current organization, current role in business, and profitability for better understanding of long-term business success. Examining leadership styles of entrepreneurs provided insight into how leadership styles may impact the duration and success of a business.

The limitations related to this study included:

1. This study was a descriptive study that used a survey to collect data. The data collected came from individual entrepreneurs who voluntarily participated, and the number of responses limited the results.
2. The participants were limited to entrepreneurs whose organizations operated within the metropolitan service region including a major city and outlying communities within a 50-mile radius of a Midwestern city with a population less than 500,000 people in the United States.
3. This study was limited to the leadership styles of transformational, transactional, and laissez-faire leadership as identified using the MLQ, as well as the entrepreneurial leadership style as identified using the ENTRELEAD scale. These leadership styles interact and affect how individuals lead their businesses.

4. This study was limited to the demographic factors of gender, education level, industry type, years of operation, the number of employees at current organization, current role in business, and profitability.

These limitations provided parameters for identifying participants from the population and collecting data. The population was comprised of 40,357 businesses of all sizes within a 50-mile radius of a Midwestern city with a population less than 500,000 people in the United States. Purposive sampling was used to contact businesses within this population. Approximately 3,400 businesses were contacted within the targeted population. The sample size for this study was 404 participants, resulting in a response rate of approximately 12%.

The literature review began with viewing leadership theory through a historical lens. Leadership theory evolved from understanding leadership as power to trait and behavioral approaches to leadership. Leadership styles are also one way to understand leadership theory. The Full Range Leadership Model identifies leadership styles on a continuum of transformational, transactional, and laissez-faire leadership (Bass & Avolio, 2004). The Multifactor Leadership Questionnaire was developed to assess leadership behaviors, which result in a leadership style score. Entrepreneurial leadership is a leadership style where individuals use the skills of opportunity recognition, risk-taking, proactivity, vision, innovation, and idea creation to lead others within an organization. The ENTRELEAD scale was developed to assess entrepreneurial leadership behaviors (Renko et al., 2015). The theoretical framework for this study was based on transformational, transactional, laissez-faire leadership styles from the Full Range Leadership Model and the entrepreneurial leadership style. Previous research on transformational, transactional, and entrepreneurial leadership styles and their relationship with CEO contexts, gender, emotional intelligence, organizational innovation, and performance were

examined to identify gaps in the literature. Leadership impacts firm performance, but research had yet to provide data on the combination of the transformational, transactional, or laissez-faire leadership styles and the entrepreneurial leadership style.

The research design consisted of a quantitative study using a survey data gathering technique. A survey was developed with three subparts, including business and demographic questions, MLQ Form 5X-Short, and the ENTRELEAD scale. The first subpart of the survey collected information on gender, education level, industry type, years of operation, the number of employees at founding of the business, the number of current employees at the business, current role in business, diversification of products and services since 2008, profitability for the current year, and profitability over five years. The MLQ Form 5X-Short assessed the leadership behaviors of participants based on the Full Range Leadership Model (Bass & Avolio, 2004). The MLQ Form 5X-Short resulted in a leadership style score for transformational, transactional, or laissez-faire leadership for participants. Questions 1 through 45 on the second subpart of the leadership styles survey corresponded with the MLQ Form 5X-Short. The ENTRELEAD scale assessed leadership behaviors of participants, resulting in an entrepreneurial leadership style score (Renko et al., 2015). Questions 46 through 53 on the third subpart of the leadership styles survey corresponded with the ENTRELEAD scale. Questions 1 through 53 on the survey consisted of Likert-scale questions. A pilot study with five entrepreneurs was conducted to ensure clarity of questions and reliability of responses. Feedback from the pilot study was used to finalize the survey for this study.

Data were collected through a multi-method delivery of a survey that was presented at local Chamber of Commerce organizations and business meetings, as well as sent via email to businesses within the population. Purposive sampling was used to solicit participants to

complete the survey. The targeted population was invited to participate in the study by either an invitation to participate with an introduction and purpose of the study with an electronic link to complete the survey or an invitation to participate with an introduction, purpose of the study, and a paper survey. Participants were assured of the confidentiality of their responses, and the researcher coded the responses to remove identifiers before data analysis. The minimum sample sizes required were exceeded, resulting in a statistically significant sample size for this study.

The methods and procedures to answer the research questions consisted of mean, median, standard deviation, chi-square, and MANOVA to analyze the data. Numbers and percentages were used for the demographic and business data, as well as the leadership styles. The mean, median, and standard deviation were used to understand the leadership styles from the Full Range Leadership model to answer RQ_1. Four hundred and two respondents were initially in the data set. Cut scores were established at the 40^{th} percentile for individual scores based on total of all rating levels (Bass & Avolio, 2004) to determine the dominant leadership style. This criterion reduced the data set to 335 participants, and these data were carried forward to the subsequent chi-square and MANOVA analyses. Chi-square was used to test the association between transformational and transactional leadership and whether or not respondents had an entrepreneurial leadership style or non-entrepreneurial leadership style to answer RQ_2. Chi-square was also used to test the association between the combination of leadership styles and gender, education level, industry type, and current role in business for RQ_3. MANOVA was used to determine the mean difference in leadership styles, gender, education level, industry type, and role in business on the success factors of years in operation, current year profitability, profitability over five years, and the difference in number of employees since founding to answer RQ_4.

Conclusions

This study examined how leadership styles impacted business longevity and business success. The findings from the data analyses using mean, median, standard deviation, chi-square, and MANOVA provided data to answer RQ_1, RQ_2, RQ_3, and RQ_4. The following conclusions emerged from the findings from the data analyses as related to each research question.

Research Question 1 was, "Which of the Full Range Leadership Model leadership styles is dominant of entrepreneurs who sustain organizations?" Descriptive statistics from the study findings indicated that transformational leadership was the dominant style of entrepreneurs in this study. Three hundred and fifteen participants (94.03%) had a dominant transformational leadership style (M = 3.34, SD = 0.33). Furthermore, descriptive statistics of leaders with a dominant transformational leadership indicated that the factors of transformational leadership were ranked as follows: idealized influence (behavior; M = 3.43, SD = 0.47), inspirational motivation (M = 3.43, SD = 0.48), individualized consideration (M = 3.38, SD = 0.47), idealized influence (attributed; M = 3.31, SD = 0.45), and intellectual stimulation (M = 3.17, SD = 0.52). Northouse (2016) proposed that a strong transformational leadership style included high scores on inspirational motivation and individualized consideration. The results from this study are consistent with this assertion for entrepreneurs with a dominant transformational leadership style. From the study data, it was concluded that entrepreneurs more frequently demonstrate a transformational leadership style in leading others in their organizations when examining transformational, transactional, and laissez-faire leadership from the Full Range Leadership Model using the MLQ Form 5X-Short. Data from this analysis about the dominant Full Range Leadership Model leadership style corresponds with previous studies indicating that CEOs'

transformational leadership style positively impacted organizational outcomes (Ling et al., 2008a).

One explanation for this conclusion is that transformational leaders are visionary, inspirational, and provide supportive behavior to others (Heinitz et al., 2005; McCleskey, 2014). The definitions of inspirational motivation as motivating others and idealized influence as charisma or the emotional element of transformational leadership scored high for leaders with a dominant transformational leadership style. Effectively communicating vision would be accentuated by these behaviors, and communicating vision has been found to elevate organizational performance (Baum et al., 2001). Leading a business requires motivating employees to reach organizational goals, and leaders with a transformational leadership style tend to focus on the bigger picture of the business rather than a transactional approach to accomplishing goals. Therefore, various leadership styles may be more widespread throughout an organization to meet organizational objectives, but this study indicated that entrepreneurs most frequently demonstrate a transformational leadership style in business contexts.

Although transactional leadership was not the dominant style of leaders in this study, 20 participants (5.97%) were identified as having a transactional leadership as their dominant style (M = 3.31, SD = 0.54). Analyzing the data for the factors of transactional leadership, including contingent reward and management-by-exception (active), indicated that contingent reward (M = 3.49, SD = 0.53) was used more predominantly by leaders than management-by-exception (active) behaviors (M = 3.14, SD = 0.72) within this leadership style. Contingent reward takes a positive approach to the exchange relationship between leaders and followers to accomplish goals (Northouse, 2016). Management-by-exception (active) may materialize in the workplace in the form of negative reinforcement or criticism. Data from this study are consistent with

previous research about contingent reward, and research has also indicated that positive reinforcement in the form of contingent reward behaviors is the most important factor related to positive effects for transactional leaders (Northouse, 2016).

Research Question 2 was, "Which of the Full Range Leadership Model leadership styles is more prevalent in the identification of the entrepreneurial leadership style as contributing to the development of businesses?" Descriptive statistics from the study findings indicated that the combination of transformational and entrepreneurial leadership styles was the most prevalent combination of leadership styles for entrepreneurs. Transformational and entrepreneurial leadership styles were the most frequent in the sample (n = 335) with 307 participants (91.64%) representing both leadership styles. Eight participants had a transformational leadership and non-entrepreneurial leadership style (2.39%). Transactional and entrepreneurial leadership styles were the dominant leadership styles for 19 participants (5.67%), while one participant had a transactional and non-entrepreneurial leadership style (0.30%). Chi-square was used to test the association between the MLQ leadership styles and whether or not a participant had an entrepreneurial leadership style, resulting in χ^2 (1) = .435, p = .509. Based on the odds ratio, the odds of participants having a entrepreneurial leadership style was 2.02 times higher if they had a transformational leadership style instead of a transactional leadership style. Even so, the chi-square was not statistically significant based on the p = .05 significance level, indicating that the association between leadership styles was not driven by an entrepreneurial leadership style. These findings led to the conclusion that transformational leadership and entrepreneurial leadership are independent leadership styles without a causal relationship. Research has provided initial evidence that transformational and entrepreneurial leadership styles are distinct constructs with the exception of an overlap of intellectual stimulation as evident in both

leadership styles (Renko et al., 2015). However, intellectual stimulation tends to be used for opportunity recognition within the entrepreneurial leadership style (Renko et al., 2015), which differs from the creativity and innovative component of intellectual stimulation within the transformational leadership style (Northouse, 2016).

One explanation for this conclusion is that dynamic business environments require leaders to use a myriad of skills to maintain operations, as well as sustain a business over time. High scores on both transformational and entrepreneurial leadership scales for participants in this study led to the conclusion that leaders may use a transformational and entrepreneurial leadership style simultaneously within their business or they match the given situation to the needed leadership style.

Research Question 3 was, "How do leaders with various combinations of leadership styles relate to the variables of gender, education, industry type, and role in business?" The results from the chi-square indicated that there was a statistically significant relationship between the combination of leadership styles and gender. When participants were identified with a transactional and entrepreneurial leadership style, significantly more males than expected and fewer females than expected identified those leadership styles. When participants were identified with a transformational or a transformational and entrepreneurial leadership style, as many males and females as expected identified those leadership styles. In previous research on only transformational and transactional leadership styles, gender was found to impact leadership behaviors, but it was not a reliable predictor of leadership style (Eagly et al., 2003). The results from the chi-square indicated a relationship, but did not indicate that gender was a predictor of leadership style. The conclusion can be made from this data set that transformational and transformational and entrepreneurial leadership styles are more prevalent among female

entrepreneurs in this study. A meta-analysis of 45 studies on gender and leadership styles using the Full Range Leadership Model found that females more frequently demonstrated transformational leadership behaviors (Eagly et al., 2003). Therefore, this finding from this study is consistent with previous research.

Research Question 4 was, "How do various combinations of leadership styles, gender, education, industry type, and role in business relate to the success factors of years of operation, profitability, and the difference in the number of employees?" Using frequencies to analyze the data, the findings for gender, education level, industry type, and role in business led to the following conclusions. Two hundred and thirty-four male participants (69.85%), 70 female participants (20.90%), and three participants who did not elect to report their gender (0.90%), had a transformational and entrepreneurial leadership style. Nineteen male participants (5.67%) had a transactional and entrepreneurial leadership style. Five male (1.49%) and three female participants (0.90%) had a transformational leadership style, while one male participant (0.30%) had a transactional leadership style. The findings indicated that all females in this study had a transformational or transformational and entrepreneurial leadership style (n = 70). Previous research indicated that female leaders tend to exhibit transformational leadership behaviors more frequently (Eagly et al., 2003).

In examining the education level of entrepreneurs (n = 335), a bachelor's degree was characteristic of 124 participants with transformational and entrepreneurial leadership styles (37.01%), three participants with a transformational leadership style (0.90%), and six participants with a transactional and entrepreneurial leadership style (1.79%). An associate's degree, junior college or trade school was characteristic of 42 participants with a transformational and entrepreneurial leadership style (12.54%), four participants with a

transformational leadership style (1.02%), two participants with a transactional and entrepreneurial leadership style (0.60%), and one participant with a transactional leadership style (0.30%). A master's degree was characteristic of 37 participants with a transformational and entrepreneurial leadership style (11.04%) and three participants with a transactional and entrepreneurial leadership style (0.90%). A doctoral or professional degree was characteristic of 35 participants with a transformational and entrepreneurial leadership style (10.45%) and two participants with a transformational leadership style (0.60%). A high school diploma or equivalency was characteristic of 63 participants with a transformational and entrepreneurial leadership style (18.81%), six participants with a transactional and entrepreneurial leadership style (1.79%), and three participants with a transformational leadership style (0.90%). Only three participants (0.90%) in this study with a transformational and entrepreneurial leadership style had no diploma, and three participants elected to not report their education level (0.90%). Of the 335 participants in this analysis, 77.61% of participants had at least some college education. These findings led to the conclusion that education is an important factor in initiating entrepreneurial activities. One explanation for this conclusion for this sample may be the university opportunity represented by the geographical location of this study. Large metropolitan areas or different parts of the United States may result in different conclusions for the education level of entrepreneurs. However, education is considered part of the human capital of entrepreneurs. Aldrich and Martinez (2001) posited that human capital of entrepreneurs is an essential element of entrepreneurial success. Furthermore, research in high tech industries has indicated that education in the form of a technical degree can impact business growth (Almus & Nerlinger, 1999). Therefore, education can give entrepreneurs competencies, knowledge, and skills to successfully start a new business.

The three most represented industries in this study (n = 335) were 104 businesses in the profession and/or technical services category (31.04%), 76 businesses in the other industry category (22.69%), and 54 businesses in the retail trades category (16.12%). Profession and/or technical services included 97 participants with a transformational and entrepreneurial leadership style (28.96%), five participants with a transactional and entrepreneurial leadership style (1.49%), one participant with a transformational leadership style (0.30%), and one participant with a transactional leadership style (0.30%). The other industry category included 67 participants with a transformational and entrepreneurial leadership style (20.00%), seven participants with a transactional and entrepreneurial leadership style (2.09%), and two participants with a transformational leadership style (0.60%). Retail trades included 50 participants with a transformational and entrepreneurial leadership style (14.93%), three participants with a transactional and entrepreneurial leadership style (0.90%), and one participant with a transformational leadership style (0.30%). The conclusion drawn from the data in this study is that more entrepreneurs operating businesses in the profession and/or technical services industry use transformational and entrepreneurial leadership or transformational leadership. Due to the nature of service-based businesses, there is a continual need to interact with employees and customers to accomplish business goals. Transformational leadership behaviors motivate and inspire followers to achieve goals. Therefore, a conclusion can be made that transformational and entrepreneurial behaviors are most frequently represented in businesses that are service-oriented. Additionally, this finding could be applied to new entrepreneurs in that knowledge of their leadership style could also be helpful in deciding which industry to start a business.

Mean, median, and standard deviation were also used to analyze the number of employees at the businesses represented in this study. When businesses represented in this

sample (n = 330) were founded, they had an average of 4.79 employees (SD = 13.01). During this study, the participants that reported data on their businesses (n = 335) had progressed to an average of 94.43 employees (SD = 563.92). However, when simply examining the number of employees based on the leadership styles data, 302 leaders with a transformational and entrepreneurial leadership style had a mean of 4.78 employees (SD = 13.11), and 19 transactional and entrepreneurial leaders had a mean of 6.05 employees (SD = 14.66). These two categories were greater than transformational leadership (n = 8, M = 2.25, SD = 1.58) and transactional leadership (n = 1, M = 3.00, SD = 0.00) for the number of employees at the founding. Additionally, this pattern was consistent with the number of current employees at businesses represented in this study. Three hundred and seven leaders with a transformational and entrepreneurial leadership style had a mean of 99.42 current employees (SD = 588.27), and 19 transactional and entrepreneurial leaders had a mean of 54.63 employees (SD = 109.58). These two categories were also greater than transformational leadership (n = 8, M = 8.75, SD = 9.47) and transactional leadership (n = 1, M = 2.00, SD = 0.00) for the number of current employees at the business. By examining the mean from the founding number of employees and the current number of employees, it can be concluded that businesses with a leader who had a transformational and entrepreneurial or transactional and entrepreneurial leadership style had business growth that necessitated employing more people. However, this conclusion is limited by the standard deviation of current employees of businesses represented in this study.

Owner-founders represented the majority of participants in this study. Owner-founder participants represented 187 participants with a transformational and entrepreneurial leadership style (55.82 %), 15 participants with a transactional and entrepreneurial leadership style (4.48%), and three participants with a transformational leadership style (0.90%). Owner-buyer

participants represented 71 participants with a transformational and entrepreneurial leadership style (21.19%), four participants with a transformational leadership style (1.19%), two participants with a transactional and entrepreneurial leadership style (0.60%), and one participant with a transactional leadership style (0.30%). CEO/President participants represented 40 participants with a transformational and entrepreneurial leadership style (11.94%), two participants with a transactional and entrepreneurial leadership style (0.60%), and one participant with a transformational leadership style (0.30%). Nine owners who did not designate if they were an owner-founder or owner buyer had a transformational and entrepreneurial leadership style (2.69%). These findings led to the conclusion that participants in this study were more transformational than transactional in their leadership style. Furthermore, previous research indicated that owner-founders are more stable and independent than owner-buyers (Rauch & Frese, 2000). This assertion could align with the factors of the transformational and entrepreneurial leadership styles. However, additional research is needed before a casual relationship can be concluded from an entrepreneurs' role in a business and their leadership style.

The results from the MANOVA indicated that there was a statistically significant difference in gender, $F(4, 132) = 2.743$, $p = .031$, Wilks' $\Lambda = .923$, partial $\eta^2 = .077$; and role in business, $F(12, 349.531) = 1.983$, $p = .025$, Wilks' $\Lambda = .840$, partial $\eta^2 = .056$; on the differences in years of operation, the change in the number of employees from business founding, profitability for current year, and profitability over five years. A follow-up univariate ANOVA indicated that gender had a statistically significant difference in the change in the number of employees from the business founding, $F(1) = 4.953$, $p = .028$, partial $\eta^2 = .035$. The conclusion can be made that males ($M = 97.831$) had a greater positive difference in the number of

employees since founding than females (M = 89.825). One explanation for this conclusion may be males tend to be higher risk takers, which creates higher potential to grow a business. Females have also been found to have lower entrepreneurial intentions (Yordanova & Tarrazon, 2010). While entrepreneurial intention primarily addresses the pre-venture stage of a business, a study in Finland and Scotland suggested that females maintain traditional domestic roles in addition to their professional roles (Galloway, Brown, & Arenius, 2002). This balance of domestic and professional roles may impact business goals. Males and females may differ in their business goals, which could impact the growth in the number of employees.

There was also a statistically significant interaction effect between education level, industry, and role in business on the combined dependent variables, $F(40, 502.384) = 1.440$, $p = .043$, Wilks' $\Lambda = .663$, partial $\eta^2 = .098$. The results from the univariate analysis for education level, industry, and role in business on differences in the number of employees since founding was $F(10) = 2.312$, $p = .015$, partial $\eta^2 = .146$. The conclusion can be made that the interaction effect between education level, industry, and the entrepreneur's role in the business could be a contributor to growing a business in terms of the number of employees.

Follow-up univariate ANOVA also indicated that role in business had a statistically significant difference in the change in number employees from the business founding, $F(3) = 6.269$, $p = .001$, partial $\eta^2 = .122$. Post-hoc analyses using Tukey's HSD on role in business indicated that owner-founders ($M = 14.064$, $SD = 9.924$, $p < .001$) had a significantly lower years of operation for their businesses compared to owner-buyers ($M = 31.221$, $SD = 26.404$, $p < .001$) and CEO/Presidents ($M = 39.744$, $SD = 31.3301$, $p < .001$). Furthermore, owners who did not differentiate their role in the business ($M = 20.333$, $SD = 17.930$, $p < .027$) had significantly lower years of operation for their business compared to CEO/Presidents. The conclusion can be

made that owner-founders did not operate their businesses as long as other categories of entrepreneurs. One explanation for this conclusion may be that the owner-founders represented in this study might be serial entrepreneurs and build businesses to sell and repeat the process. Another explanation may be that particular category in this data set had more new businesses than the other categories. The goals of the entrepreneurs were also not explored in this study, which could have an effect on whether or not these entrepreneurs were using their businesses to simply act as an income for their family or as a business venture to sell.

The *F* value for education level, industry type, and leadership styles did not meet the criteria for significance at $p = .05$. The conclusion can be made statistically that the three leadership style groups of transformational and entrepreneurial leadership, transformational leadership, and transactional and entrepreneurial leadership did not differ significantly in their effect on years of operation, the change in number of employees since founding, profitability for current year, and profitability over five years. The significance level of the combination of leadership styles effect on years of operation was $p = .051$. Therefore, this effect could be explored in follow-up studies. Research provides evidence that executives who demonstrate transformational leadership behaviors impact firm outcomes (Ling et al., 2008a). Furthermore, leadership styles have been reported to impact profitability. One explanation for this result from this study could be that profitability can be low for a company that is reinvesting in growing their business or profitability may be low for start-up companies. A company can have increasing revenue from year to year without having an increase in profitability. The size of businesses represented in this study could also be a contributor to this finding. Exploring other financial metrics, such as revenue or initial outside capital at the start of the business, could bring insight to how the combination of leadership styles impact the financial health of a business.

Recommendations

Leadership literature is continuing to expand with the addition of new leadership styles and theories. Effective leadership can be a competitive advantage for an individual and organization. An entrepreneurial orientation where leaders exhibit entrepreneurial behaviors in corporate settings has been found to be a dynamic capability for an organization (Todorovic & Schlosser, 2007). Applying previous research surrounding entrepreneurial behaviors as the entrepreneurial leadership style in the context of entrepreneurial organizations provided the basis for this study. Dynamic markets challenge previously established methods of leadership, requiring entrepreneurs, business owners, and executives to be innovative and adaptable. The findings and conclusions from this study may be of interest to practitioners, entrepreneurs, and academia. Based on the findings from this study, the following recommendations were made for practical application of the findings.

1. Leadership styles had a statistically significant relationship with gender. For city planners commissioned with developing training programs or workforce development programs to stimulate new businesses in a region, these conclusions could provide meaningful data to support leadership development to be integrated as part of business start-up programs. Providing gender-specific training customized to male or female entrepreneurs may help address deficiencies in their leadership styles. If a city desires to stimulate entrepreneurship within their community, offering leadership development, training courses, mentoring, or coaching through local Chamber of Commerce organizations could provide additional support for new entrepreneurs who are intimidated by business failure rates when considering starting a new venture. Transformational leadership is a skill set that can be taught because it is not a prescribed set of behaviors but rather a way of thinking and acting to inspire, motivate, and

transform an organization, as described in the Full Range Leadership Model (Northouse, 2016). Charisma is part of the idealized influence component of transformational leadership, but the Conger–Kanungo Scales for charismatic leadership differentiates transformational and charismatic leadership. This scale measures sensitivity to the environment, sensitivity to members' needs, strategic vision and articulation, personal risk, and unconventional behavior (Rowold & Heinitiz, 2007). For the purpose of this analysis, charismatic was only one attribute of transformational leadership under the idealized influence component. Therefore, while it may be challenging for individuals to change their personality, learning new behaviors of how to effectively articulate vision and act as role models for followers is possible. Entrepreneurial leadership skills can also be useful in helping individuals who are not yet entrepreneurs become prepared to start new ventures. Entrepreneurial development programs could use the MLQ and/or ENTRELEAD scale to initially assess leaders' leadership style and identify areas of improvement.

Training leaders to effectively create and communicate vision could enhance their transformational leadership behaviors (Northouse, 2016). Training curriculum that focuses on transformational leadership should also include the book, *Full Range Leadership Development: Pathways for People, Profit, and Planet,* by Sosik and Jung (2010), which details each of the transformational leadership factors in the Full Range Leadership Model with case studies, practical application, and reflective exercises for leaders. This book provides a process model for a Full Range Leadership Development Program using a systems thinking approach to assess individual leadership situations in order to apply the appropriate leadership skills aligning with the Full Range Leadership Model. Research has indicated that training sessions and on-the-job practice has been effective at enhancing transformational leadership skills within a Full Range

Leadership Development Program (Chaimongkonrojna & Steane, 2015). Strengths-based coaching could also be implemented as part of training for cities wanting to promote entrepreneurship and provide opportunities to enhance transformational leadership behaviors of entrepreneurs (Mackie, 2014).

2. Entrepreneurs who are starting a business or sustaining a business should seek out development opportunities to enhance their transformational leadership and entrepreneurial leadership skills before and during a business venture. Business failure rates should not deter individuals interested in starting a business from taking the necessary steps to create a new enterprise or buy an established business. It is recommended that entrepreneurs use the findings from this study to develop their ability to inspire followers and act as role models for followers, as well as refine their opportunity recognition, innovation, and creativity skills (Renko et al., 2015). Entrepreneurs should check with their city's economic development committee or Chamber of Commerce organization to become aware of local leadership development opportunities. Mentoring and coaching are also effective means of enhancing leadership skills and may be an appropriate option if limited opportunities exist within their city. Furthermore, an entrepreneur could use an assessment, such as the MLQ or ENTRELEAD scale, to assess their leadership styles before starting or purchasing a business. Their individual results could be used to develop areas of weakness in their leadership styles in order to increase the possible success from their new venture.

3. It is recommended that the academic community use the findings from this study to develop course curricula that emphasize transformational and entrepreneurial leadership behaviors for students pursuing entrepreneurship or who desire to start their own business within their field of study. Operating a business requires technical expertise, but it also requires

leadership skills in order to manage employees, communicate vision, and meet business goals. Therefore, leadership training should be used as part of university business programs to ensure entrepreneurs have the needed skills to lead successful businesses. Based on the findings from this study, educators may choose to develop more robust entrepreneurial and transformational leadership assessment tools to evaluate leadership behaviors among entrepreneurs.

4. Lastly, regional officials involved in Departments of Economic Development and desiring to stimulate local economies through entrepreneurship should invest resources into developing research-based entrepreneurial development programs. Education has been found to be a significant contribution by the public sector to help facilitate the starting of new businesses (Motoyama & Bell-Masterson, 2014). Reducing the barriers to entry may also entice new entrepreneurs interested in starting their own business. Even so, supporting entrepreneurs currently operating businesses could provide economic stability to a region by elevating the work of entrepreneurs through development programs. Local, state, and regional economies can be positively impacted by increases in entrepreneurship by providing support of entrepreneurial activity (Acs, 2006).

In addition to practical implications from the findings from this study, the following recommendations for future research pertaining to leadership styles are presented. Limited research exists on entrepreneurial leadership as a distinct leadership style and its interaction with other leadership styles. Researchers may use these recommendations as a resource in identifying future research opportunities.

1. Entrepreneurial leadership as a leadership style needs to have continued research to develop the base of literature for this leadership style. A replication of this study in other regions, as well as including demographic variables and in other occupational areas not featured

in this study, would add to the growing body of work on entrepreneurship and leadership. Adding variables, such as age of the entrepreneur, number of businesses started, and structure of the current organization, to a replication of this study could also give insight into how entrepreneurial characteristics and organizational environments impact leaders' leadership styles. First, it would ensure that the impact of geographical locations on businesses would be analyzed. Selecting a large metropolitan area to conduct a version of this study may generate new results in how entrepreneurs utilize leadership styles in their businesses, and it would allow for comparison of data from entrepreneurs in multiple geographical locations. These data could be used to enhance the generalizability of the findings from this study.

2. The development of a new scale to measure transformational and entrepreneurial leadership behaviors is recommended to provide a clearer delineation between the behaviors associated with each style. The MLQ has been used as the most commonly used tool to measure transformational leadership (Northouse, 2016). The Full Range Leadership Model may have limitations within the current business environment with continuous technological advancements creating change in the marketplace. Therefore, exploring leadership styles outside of the traditional Full Range Leadership Model is recommended. The ENTRELEAD scale to measure entrepreneurial leadership was a more recent development and has yet to proliferate the leadership literature on the topic (Renko et al., 2015). Therefore, the findings and conclusions from this study support the need for the development of a new measurement tool to be able to directly compare scores for transformational and entrepreneurial leadership styles.

3. Further research to clearly define the entrepreneurial leadership constructs as has been done for transformational and transactional leadership in the Full Range Leadership Model is warranted. A previous study did present evidence of an overlap in intellectual stimulation

between the transformational and entrepreneurial leadership constructs (Renko et al., 2015). Additional research on the interaction of the behaviors of entrepreneurial and transactional leadership is needed to understand how entrepreneurial leadership behaviors mediate the effects of transactional leadership. Instead of approaching a leadership style with an "either/or" perspective, understanding how two leadership styles could complement one another could enhance leadership development and training for a wide variety of entrepreneurs, business owners, and organizational executives.

4. Further research is recommended to better understand the relationship between entrepreneurial leadership and other leadership types. This study focused on the Full Range Leadership Model leadership styles and entrepreneurial leadership style. Conducting this study to include other leadership styles could serve to provide a benefit to business owners and entrepreneurs as they start and grow businesses. While this study's findings indicated that there was not a statistically significant difference between whether or not a participant had a transformational or transactional leadership style and entrepreneurial or non-entrepreneurial leadership styles, studying entrepreneurial leadership with authentic or adaptive leadership styles may provide new findings for the growing body of research in leadership styles. This study affirmed that more research on the entrepreneurial leadership style as a distinct leadership construct is recommended.

5. This study's results indicated that there was not a statistically significant relationship between the combination of leadership styles and profitability. However, research has indicated that leadership styles do impact performance (Ling et al., 2008a). Therefore, investigating the financial component of new businesses in a different way by comparing businesses that are undercapitalized and well capitalized to the leadership style of the entrepreneurs is needed. The

results from this proposed research could give insight into how access to capital impacts business longevity for entrepreneurs who are owner-founders or owner-buyers.

6. Research on the stage of business development and leadership styles over a period of time could also give insight into how leadership styles may or may not change over a lifespan of a new venture. It was not known in this study if entrepreneurs had the specified leadership style that resulted from the MLQ and ENTRELEAD scale at the time of the business founding. Since the average business age was 22.21 years (*SD* = 21.66) with a median of 16 years for all participants in this study, the study represented a broad range for the years of operation for a business. Examining leadership styles of entrepreneurs in the first one to five years of operation may provide necessary data to understand the role of leadership styles in a business founding. New entrepreneurs may require different leadership skills to start and launch a new venture. A follow-up longitudinal study with new businesses is recommended to account for the changes that occur throughout the business life cycle.

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Appendix A

Leadership Survey

Purpose: The following information will be used in the study entitled *Impact of leadership styles on entrepreneurs' business success.* This information will solely be used for data analysis purposes, and all data will be reported as aggregate data. Therefore, your responses will be held confidential and not connected with your name and business.

Directions: Please answer the following questions about yourself and your company by marking the appropriate line or responding to the question.

Email address: _____

Gender
___ Male
___ Female
___ Do not elect to report

Education Level
___ No diploma
___ High school diploma or equivalency
___ Associate degree, Junior College, or Trade school
___ Bachelor's degree
___ Master's degree
___ Doctoral or professional degree
___ Do not elect to report

Industry (mark industry that is closest)
____Manufacturing
____Wholesale trades
____Retail trades
____Information trades
____Real estate
____Profession and/or technical services
____Administrative and/or support services
____Educational services
____Healthcare and/or social services
____Arts and/or recreation
____Accommodations
____Other: (Please specify) _____

Position in Organization
____ CEO/President (but not owner)
____ Owner-buyer
____ Owner-founder
____ Other: (Please specify) _____

Association (Select all that apply)
_____ Chamber of Commerce Member in (please include city) _____
_____ Subscriber to Springfield Business Journal
_____ Other

Please answer the following questions relevant to your company:
1. What year was your company founded? _____
2. How many employees started with the company at its founding? _____
3. How many employees does the company currently employ? _____
4. What is the percentage of profitability of the company this past year? _____
5. What is the company's cumulative percentage of profitability over the last five years? (If you had a 5% profit for each of the last five years, then the cumulative percentage of profit would be 25%.) _____
6. Has the company's products or services diversified from 2008 to present? _____
7. What is the zip code of business location? _____

Leadership Styles

Purpose: This information will be used to better understand the leadership styles of entrepreneurs and its impact on business profitability and longevity.

Directions: When operating your company, consider how you lead yourself and others. Complete the following questions by reflecting on your leadership behaviors in your organization. Circle the number that most applies to the corresponding statement. The key informs you of how to select each number.

Key: 0 = Not at all, 1 = Once in a while, 2 = Sometimes, 3= Fairly often, 4= Frequently, if not always

Item	Response				
	Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
1. I provide others with assistance in exchange for their efforts.	0	1	2	3	4
2. I re-examine critical assumptions to question whether they are appropriate.	0	1	2	3	4
3. I fail to interfere until problems become serious.	0	1	2	3	4
4. I focus attention on irregularities, mistakes, exceptions, and deviations from standards.	0	1	2	3	4

Item	Response				
	Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
5. I avoid getting involved when important issues arise.	0	1	2	3	4
6. I talk about my most important values and beliefs.	0	1	2	3	4
7. I am absent when needed.	0	1	2	3	4
8. I seek differing perspectives when solving problems.	0	1	2	3	4
9. I talk optimistically about the future.	0	1	2	3	4
10. I instill pride in others for being associated with me.	0	1	2	3	4
11. I discuss in specific terms who is responsible for achieving performance targets.	0	1	2	3	4
12. I wait for things to go wrong before taking action.	0	1	2	3	4
13. I talk enthusiastically about what needs to be accomplished.	0	1	2	3	4
14. I specify the importance of having a strong sense of purpose.	0	1	2	3	4
15. I spend time teaching and coaching.	0	1	2	3	4
16. I make clear what one can expect to receive when performance goals are achieved.	0	1	2	3	4
17. I show that I am a firm believer in “If it ain’t broke, don’t fix it.”	0	1	2	3	4
18. I go beyond self-interest for the good of the group.	0	1	2	3	4

Item	Response				
	Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
19. I treat others as individuals rather than just as a member of a group.	0	1	2	3	4
20. I demonstrate that problems must become chronic before I take action.	0	1	2	3	4
21. I act in ways that build others' respect for me.	0	1	2	3	4
22. I concentrate my full attention on dealing with mistakes, complaints, and failures.	0	1	2	3	4
23. I consider the moral and ethical consequences of decisions.	0	1	2	3	4
24. I keep track of all mistakes.	0	1	2	3	4
25. I display a sense of power and confidence.	0	1	2	3	4
26. I articulate a compelling vision of the future.	0	1	2	3	4
27. I direct my attention toward failures to meet standards.	0	1	2	3	4
28. I avoid making decisions.	0	1	2	3	4
29. I consider an individual as having different needs, abilities, and aspirations from others.	0	1	2	3	4
30. I get others to look at problems from many different angles.	0	1	2	3	4
31. I help others to develop their strengths.	0	1	2	3	4

Item	Response				
	Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
32. I suggest new ways of looking at how to complete assignments.	0	1	2	3	4
33. I delay responding to urgent questions.	0	1	2	3	4
34. I emphasize the importance of having a collective sense of mission.	0	1	2	3	4
35. I express satisfaction when others meet expectations.	0	1	2	3	4
36. I express confidence that goals will be achieved.	0	1	2	3	4
37. I am effective in meeting others' job-related needs.	0	1	2	3	4
38. I use methods of leadership that are satisfying.	0	1	2	3	4
39. I get others to do more than they expected to do.	0	1	2	3	4
40. I am effective in representing others to higher authority.	0	1	2	3	4
41. I work with others in a satisfactory way.	0	1	2	3	4
42. I heighten others' desire to succeed.	0	1	2	3	4
43. I am effective in meeting organizational requirements.	0	1	2	3	4
44. I increase others' willingness to try harder.	0	1	2	3	4
45. I lead a group that is effective.	0	1	2	3	4

Item	Response				
	Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
46. I often come up with radical improvement ideas for the products/services we are selling.	0	1	2	3	4
47. I often come up with ideas of completely new products/services that we could sell.	0	1	2	3	4
48. I take risks.	0	1	2	3	4
49. I have creative solutions to problems.	0	1	2	3	4
50. I demonstrate passion for my work.	0	1	2	3	4
51. I have a vision of the future of our business.	0	1	2	3	4
52. I challenge and push myself to act in a more innovative way.	0	1	2	3	4
53. I want to challenge the current ways we do business.	0	1	2	3	4

THANK YOU FOR ASSISTING ME WITH MY STUDY.

Please include your email address for any follow-up correspondence from the researcher:

_____

Appendix B

Pilot Survey Rating Form for Entrepreneurs

Please use this form to evaluate the Leadership Styles survey. Please circle the survey rating for the following questions. Include additional comments that will add to the efficiency in respondents' completion of the survey, clarity of content, and visual alignment.

1. Were the directions for completing the survey clear?

    1. No 2. Yes

    If not, what was missing and how could the directions be reworded to make them clearer?

    Comments:

2. For the most part, the survey question statements were clear.

    1. No 2. Yes

    If the survey question statements were not clear, list by question number and indicate how it could be improved.

    Comments:

3. Were there any grammatical or spelling errors? Please indicate on the survey.

4. Are there any demographic factors that you would suggest to be added to the survey?

    1. No 2. Yes

    Comments:

5. Are there any additional suggestions or concerns you have about the survey related to its content? If so, please explain:

Your input is very important and appreciated. Please save this form with your ratings and comments, and return to me via email at XXXXXXX@odu.edu.

Sincerely,

Hona Amer
Ph.D. Candidate, Old Dominion University

Appendix C

Cover Letter

Hello!

You were selected to participate in a study of the impacts that leadership styles have on entrepreneurs' business success! You are being asked to participate because of operating your business in the greater metropolitan service area in Springfield, Missouri. We are attempting to develop a framework for how leadership styles can help create sustainable businesses as part of my doctoral research. Your participation is voluntary, and you may choose not to participate.

This study invites you to respond to questions about your leadership style and the growth of your business. If you are willing to participate, please respond as a business owner or entrepreneur. Attached you will find a survey about demographic information related to your business and questions about your leadership within your organization. If you choose to participate, your responses will be treated confidentially. There are minimum risks to your participation, since your individual responses will be reported in aggregate with others. There are also no direct benefits to you. However, your responses might benefit the development of the business community and support for start-up businesses in the coming years. We hope the benefits of this study will be to allow business owners to understand how they can use their leadership skills to create business and economic growth in their communities. Stored data will also be password protected.

If you choose to participate, please complete the survey. Thank you for participation as part of the entrepreneurial business community! If you should have questions, I can be contacted at hamer001@odu.edu.

Sincerely,

Hona Amer
Ph.D. Candidate
Old Dominion University
STEM Education & Professional Studies

Dr. John Ritz
Professor
Old Dominion University
STEM Education & Professional Studies

VITA

Hona Amer

Darden College of Education
Old Dominion University
Norfolk, Virginia 23529
Email: honaamer@gmail.com

PROFESSIONAL OVERVIEW

Hona Amer possesses skills in business marketing, small business development, and organizational development. She has experience with public speaking and small group facilitation; university teaching in traditional undergraduate programs, adult studies programs, and online programs; writing and developing curriculum for courses; client brand management, project management, and strategy development; developing training resources for organizations; and writing and publishing a book. Her research interests include leadership, designing organizations, organizational change and development, human resource development, and entrepreneurship.

EDUCATION

Ph.D. in Education - Occupational & Technical Studies, Old Dominion University (2017)
Master of Business Administration, Missouri State University (2009)
Bachelor of Business Administration, Evangel University (2007)

SELECTED PUBLICATIONS

Amer, H. (2011). *Smart work u: Get your degree the smart way— save time and money*. LifeNotes Press.

Amer, H. (2016). Media review of learning leadership: The five fundamentals of becoming an exemplary leader. *Human Resource Development Quarterly*. doi:10.1002/hrdq

PROFESSIONAL EXPERIENCE

Consultant/Owner, The H Group, (2010 – Present)

Marketing & Special Projects Coordinator, Vision Media Group, (2008 – 2009)

ACADEMIC EXPERIENCE

Evangel University - Adjunct Instructor (2011 – Present)
Business Department, Springfield, Missouri

Central Bible College - Adjunct Instructor (2011 – 2013)
Springfield, Missouri

University of Phoenix - Adjunct Instructor (2012)
Springfield, Missouri

UNIVERSITY COURSES/CURRICULUM DEVELOPED

Business Communication (2012)
Managerial Economics (online course curriculum) (2013)
Entrepreneurship in the Marketplace (2015)
Human Resource Management (online course curriculum) (2015)
Excel Spreadsheets (online course curriculum) (2016)
Personal Finance (online course curriculum) (2016)

UNIVERSITY COURSES TAUGHT

BUED 275	Business Communication
MRKT 299	Entrepreneurship in the Marketplace
MGMT 343	Human Resource Management
MRKT 239	Principles of Marketing
ECNA 331	Managerial Economics
MGTA 239	Excel Spreadsheets
COMM 472	Media Management and Law
FIN 138	Personal Finance

PROFESSIONAL SOCIETY MEMBERSHIP

Iota Lambda Sigma
Phi Kappa Phi
Golden Key International Honor Society

HONORS

Judge for Springfield Business Journal's 2014 Business Class
Acton Institute Free Market Economics Course Development Grant Co-Recipient ($5,000)